

Department of Homeland Security: FY2014 Appropriations

Updated April 18, 2014

Congressional Research Service

<https://crsreports.congress.gov>

R43147

Summary

This report analyzes the FY2014 appropriations for the Department of Homeland Security (DHS). The Administration requested \$39.0 billion in adjusted net discretionary budget authority for DHS for FY2014, as part of an overall budget of \$60.0 billion (including fees, trust funds, and other funding that is not appropriated or does not score against the budget caps).

Net requested appropriations for major agencies within DHS were as follows:

- Customs and Border Protection (CBP), \$10,833 million;
- Immigration and Customs Enforcement (ICE), \$4,997 million;
- Transportation Security Administration (TSA), \$4,857 million;
- Coast Guard, \$8,051 million;
- Secret Service, \$1,546 million;
- National Protection and Programs Directorate, \$1,267 million;
- Federal Emergency Management Administration (FEMA), \$3,984 million; and
- Science and Technology, \$1,527 million.

The Administration also requested an additional \$5.6 billion for FEMA in disaster relief funding as defined by the Budget Control Act.

H.R. 2217, the House-passed DHS appropriations bill, would have provided \$39.0 billion in adjusted net discretionary budget authority. The Senate-reported version of the same bill would have provided \$39.1 billion in adjusted net discretionary budget authority. Both bills also would have provided the \$5.6 billion in disaster relief requested by the Administration.

Congress did not enact annual FY2014 appropriations legislation prior to the beginning of the new fiscal year. From October 1, 2013, through October 16, 2013, the federal government (including DHS) operated under an emergency shutdown furlough due to the expiration of annual appropriations for FY2014. More than 31,000 DHS employees were furloughed. Tens of thousands of others who were excepted from furlough, and those whose salaries were paid through annual appropriations, worked without pay until the lapse was resolved by passage of a short-term continuing resolution. From October 17, 2013, to January 17, 2014, the federal government operated under the terms of two consecutive continuing resolutions: P.L. 113-46, which lasted until its successor was enacted on January 15, 2014; and P.L. 113-73, which lasted until the Omnibus Appropriations Act, 2014 (P.L. 113-76), was enacted on January 17, 2014. The Homeland Security Appropriations Act, 2014, was included as Division F, and provided \$39.3 billion in net discretionary budget authority, as well as the requested disaster relief funding.

This report will be updated as events warrant.

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This report presents an analysis of the discretionary appropriations for the Department of Homeland Security (DHS) for fiscal year 2014 (FY2014). It compares unsequestered enacted FY2013 appropriations for DHS, the President's request for FY2014 funding for DHS, and the appropriations legislation crafted in response to that request.

The first portion of this report provides an overview and historical context for reviewing DHS appropriations, highlighting various aspects including the comparative size of DHS components, the amount of non-appropriated funding the department receives, and trends in the timing and size of the department's appropriations legislation. The second portion of the report outlines the legislative chronology of major events in funding the department for FY2014. The third portion of the report provides detailed information on DHS appropriations, broken down by component, with discussing of associated policy issues.

Discussion of appropriations legislation involves a variety of unique budgetary concepts.

Appendix A to this report explains a variety of these concepts, including budget authority, obligations, outlays, discretionary and mandatory spending, offsetting collections, allocations, and adjustments to the discretionary spending caps under the Budget Control Act.

This report pays particular attention to discretionary funding amounts. The report does not provide in-depth analysis of specific issues related to mandatory funding—such as retirement pay—nor does the report systematically track any other legislation related to the authorization or amendment of DHS programs, activities, or fee revenues.

Most Recent Developments

Table 1. Legislative Status of FY2014 Homeland Security Appropriations

(dates of action and votes)

Subcommittee Markup		H.Rept. 113-91	House Passage		S.Rept. 113-77	Senate Passage	Omnibus Appropriations Act (H.R. 3547) Approval		P.L. 113-76
House	Senate		H.R. 2217				House	Senate	
5/16/13 (vv)	7/16/13 (8-1)	5/22/13 (vv)	6/6/13 (245-182)	7/18/13 (21-9)	—		1/15/14 (369-67)	1/16/14 (72-26)	1/17/2014

Notes: (vv) = voice vote, (uc) = unanimous consent.

April 10, 2013—President's FY2014 Budget Request Submitted

For FY2014, the Administration requested \$39.028 billion in adjusted net discretionary budget authority for DHS, as part of an overall budget request of \$60.0 billion (including fees, trust funds, and other funding that is not appropriated or does not score against the overall discretionary spending caps budget allocation for the bill).¹

¹Department of Homeland Security, *Congressional Budget Justification, Budget Tables and Explanation of Changes for General Provisions, FY2014*, p. 1.

June 6, 2013—House Passes H.R. 2217

On June 6, 2013, the House passed H.R. 2217 with several amendments by a vote of 245-182. This report uses House-passed H.R. 2217 and the accompanying report (H.Rept. 113-91) as the source for House-passed appropriations numbers. After floor action the House bill carried a net discretionary appropriation of \$38.991 billion for DHS for FY2014. Several House-adopted floor amendments used management accounts as offsets, leaving funding for those activities 40% below the requested level. Increases approved by the House above the committee-recommended level for DHS activities included Customs and Border Protection's Border Security Fencing, Infrastructure, and Technology account, Coast Guard's Operating Expenses account, the Federal Emergency Management Agency's Urban Search and Rescue Response activities and grant programs.

July 18, 2013—Senate Appropriations Committee Reports H.R. 2217

On July 17, the Senate Appropriations Committee reported out H.R. 2217 with an amendment by a vote of 21-9. The Senate-reported bill carried a net discretionary appropriation of \$39.100 billion for DHS for FY2014.

October 1, 2013—Lapse in Appropriations

Late on September 30, 2013, the Office of Management and Budget (OMB) gave notice to federal agencies that an emergency shutdown furlough would be put in place as a result of the failure to enact appropriations legislation for FY2014. On September 27, 2013, DHS released its "Procedures Relating to a Federal Funding Hiatus,"² which included details on how DHS planned to determine who was required to report to work, cease unexempted³ government operations, recall certain workers in the event of an emergency, and restart operations once an accord was reached on funding issues. More than 31,000 DHS employees were furloughed, and tens of thousands of others who were excepted from furlough and whose salaries were paid through annual appropriations worked without pay.

For a broader discussion of a federal government shutdown, see CRS Report RL34680, *Shutdown of the Federal Government: Causes, Processes, and Effects*, coordinated by Clinton T. Brass.

October 17, 2013—P.L. 113-46, Continuing Appropriations Act, 2014 Passes and Is Enacted

On October 17, 2013, the Senate and the House of Representatives passed, and the President signed into law, a Senate-amended version of H.R. 2775, which carried a short-term continuing resolution (CR) that funded government operations at a rate generally equivalent to FY2013 post-sequestration levels through January 15, 2014. The Senate passed the amended bill by a vote of 81-18, while the House passed it 285-144. This act temporarily resolved the lapse in funding, ending the emergency furlough, returning federal employees to work, and retroactively authorizing pay for both excepted and unexcepted employees for the duration of the funding lapse. Although a handful of legislative provisions were included to extend expiring authorities

² Available at <http://www.dhs.gov/sites/default/files/publications/dhs-lapse-contingency-plan-09-27-2013.pdf>, and hereafter cited as "FY2014 Procedures" in footnotes. The Office of Management and Budget has assembled a complete list of such plans at <http://www.whitehouse.gov/omb/contingency-plans>.

³ Some agencies use the term "excepted" rather than "exempted" to describe activities that would continue – the terms are interchangeable. This report generally uses "exempted" because DHS uses that term in its plan.

for the department and provide some flexibility for Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE) in operating under the constraints of the CR, as is usually the case with this type of legislation, account-level direction for funding was not provided, and no explanatory statement of congressional intent (such as a committee report) exists.

January 14-15, 2014 – P.L. 113-76, Short-Term Continuing Resolution

On January 14, 2014, the House passed by voice vote H.J.Res. 106, a short term continuing resolution, that would allow for three days of continued funding under the same terms as P.L. 113-46. On January 15, the bill passed the Senate by a vote of 86-14, and was signed into law that same day, becoming P.L. 113-73 and preventing an additional lapse in appropriations while a consolidated appropriations act for FY2014 completed the legislative process.

January 17, 2014 – President Signs the FY2014 Consolidated Appropriations Act

On January 17, 2014, the President signed into law the Consolidated Appropriations Act, 2014, which included annual appropriations legislation covering the entire discretionary budget for FY2014. Division F of P.L. 113-76 is the Homeland Security Appropriations Act, 2014, which includes \$39,270 million in adjusted net discretionary budget authority for DHS. This is \$922 million more than DHS reportedly received in its annual appropriation for FY2013 after taking into account the impact of sequestration. The act also included an additional \$5.6 billion requested by the Administration for FEMA in disaster relief funding as defined by the Budget Control Act, and an additional \$227 million for the Coast Guard to pay the costs of overseas contingency operations. Those additional costs are compensated for by adjustments in the discretionary spending limits outlined through the Balanced Budget and Emergency Deficit Control Act as amended.

Note on Most Recent Data

Data used in this report for FY2013 amounts are taken from CRS analysis of H.R. 933 as enacted as the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) and the Senate explanatory statement that accompanied it, plus the Disaster Relief Appropriations Act of 2013 (P.L. 113-2). Information on the FY2014 request is from the President's budget documents, the FY2014 *DHS Congressional Budget Justification*, and the FY2014 *DHS Budget in Brief*. Information on the House-passed FY2014 DHS appropriations bill is from H.R. 2217 and H.Rept. 113-91, while information on the Senate-reported version is from H.R. 2217 (as amended) and S.Rept. 113-77. Enacted levels are drawn from Division F of P.L. 113-76 and its accompanying explanatory statement. Historical funding data used in the appendices are taken from the *Analytical Perspectives* volumes of the FY2006-FY2013 budget request documents. Except when discussing total amounts for the bill as a whole, all amounts contained in this report are rounded to the nearest million.

Note on FY2013 and Sequestration

Past CRS reports on DHS appropriations have carried detailed comparisons with previous years' funding levels. However, due to the impact of sequestration on budget authority available to the federal government under P.L. 113-6 and the Disaster Relief Appropriations Act of 2013 (P.L. 113-2), official post-sequestration numbers are not available at the program, project, and activity level. While DHS released an FY2013 Post-Sequestration Operating Plan on April 26, 2013,

which outlined funding provided as a result of P.L. 113-6, press reports have indicated that reprogramming and transfer activity is underway to address the impact of the nearly across-the-board cut administered through the sequestration process on priority programs.⁴

Because no detailed comprehensive statement of post-sequestration resources is available with a parallel methodology to the numbers historically provided in these reports, the charts in this report contain information on pre-sequester funding levels for FY2013. In all cases, the data from P.L. 113-6 account for the two across-the-board cuts included in the general provisions of the act.

Background

Department of Homeland Security

The Homeland Security Act of 2002 (P.L. 107-296) transferred the functions, relevant funding, and most of the personnel of 22 agencies and offices to the new Department of Homeland Security created by the act. Appropriations measures for DHS have generally been organized into five titles:

- Title I contains appropriations for the Office of Secretary and Executive Management (OSEM), the Office of the Under Secretary for Management (USM), the Office of the Chief Financial Officer, the Office of the Chief Information Officer (CIO), Analysis and Operations (A&O), and the Office of the Inspector General (OIG); and
- Title II contains appropriations for Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Coast Guard (USCG), and the Secret Service;⁵
- Title III contains appropriations for the National Protection and Programs Directorate (NPPD), Office of Health Affairs (OHA), Federal Emergency Management Agency (FEMA);⁶
- Title IV contains appropriations for U.S. Citizenship and Immigration Services (USCIS), the Science and Technology Directorate (S&T), and the Federal Law Enforcement Training Center (FLETC); and
- Title V contains general provisions providing various types of congressional direction to the department.

⁴ See, for example, Josh Hicks, “How Much Money Did Customs and Border Protection Need to Avoid Furloughs,” *Washington Post*, Federal Eye blog, June 21, as downloaded from <http://www.washingtonpost.com/blogs/federal-eye/wp/2013/06/20/how-much-money-did-customs-and-border-protection-need-to-avoid-furloughs/>, June 21, 2013.

⁵ The U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program was appropriated within Title II through the FY2007 appropriation. The FY2008 appropriation transferred US-VISIT, as proposed by the Administration, to the newly created National Protection and Programs Directorate (NPPD) in Title III. Division E of P.L. 110-161, the DHS Appropriations Act, 2008, enacted this reorganization. The FY2013 budget request proposes a further reorganization, splitting the program between CBP and ICE.

⁶ Through the FY2007 appropriation, Title III contained appropriations for the Preparedness Directorate, Infrastructure Protection and Information Security (IPIS), and FEMA. The President’s FY2008 request included a proposal to shift a number of programs and offices to eliminate the Preparedness Directorate, create the NPPD, and move several programs to FEMA. These changes were largely agreed to by Congress in the FY2008 appropriation, reflected by Title III in Division E of P.L. 110-161.

The structure of the bill is not automatically symmetrical between House and Senate versions. Additional titles are sometimes added to address special issues. For example, the FY2012 House full committee markup added a sixth title to carry a \$1 billion emergency appropriation for the Disaster Relief Fund (DRF). The Senate version carried no additional titles beyond those described above.

Appropriations for the Department of Homeland Security

Summary of DHS Appropriations

The DHS appropriations bill includes funding for all components and functions of the department. **Table 2** compares the pre-sequester enacted totals for FY2013 with the FY2014 request and congressionally supported levels. The heavy lines in this table and in similar ones later in the report serve as a reminder that direct comparisons between the pre-sequester FY2013 funding and FY2014 proposals are not comparisons of current levels of actual spending and proposals for the coming fiscal year, as one would normally see in this type of report.

As shown in Table 2, for FY2013, pre-sequester DHS discretionary appropriations were \$46.2 billion, with \$12.1 billion in supplemental appropriations. For FY2014, the total request was \$44.7 billion. House-passed and Senate-reported DHS appropriations legislation have similar total funding levels, \$44.6 billion and \$44.7 billion, respectively. Under the terms of P.L. 113-76, DHS received \$46.0 billion in discretionary appropriations. Totals represent net discretionary budget authority, taking into account impacts of rescissions, and include emergency spending and disaster relief. Analyses that include the impact of fees and mandatory spending are found later in this report.

Table 2 DHS Net Discretionary Appropriations by Title, FY2013-FY2014

(millions of dollars of discretionary budget authority, rounded, including adjustments under the BCA)

Title	FY2013 Enacted (presequester)		FY2014 Appropriations			
	Enacted (P.L. 113-6)	Supplemental (P.L. 113-2)	Request	House- Passed H.R. 2217	Senate- Reported H.R. 2217	Division F, P.L. 113-76
Title I: Departmental Management and Operations	\$1,086	\$0	\$1,239	\$893	\$1,053	\$1,037
Title II: Security, Enforcement and Investigations	31,524 ^a	277	30,241	30,768	30,514 ^b	31,104 ^b
Title III: Protection, Preparedness, Response, and Recovery	12,320 ^c	11,788	11,009 ^d	11,544 ^d	11,582 ^d	11,578 ^d
Title IV: Research and Development, Training, and Services	1,520	7	2,214	1,890	1,885	1,878
Title V: General Provisions	-203	0	-50	-475	-83	-474
Total	46,248	12,072	44,654	44,618	44,953	45,123

Source: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76 and its accompanying explanatory statement.

Notes: The standard legislative practice is to group rescissions with the bill's general provisions, often resulting in that title scoring as net negative budget authority. The executive budget usually includes proposed rescissions in the affected component's budget request. The first FY2013 column reflects the effect of \$307 million in rescissions, including two across-the-board cuts in P.L. 113-6, while the Administration proposed \$42 million in rescissions for FY2014. For FY2014, the House Appropriations Committee recommended \$460 million in rescissions; the Senate Appropriations Committee recommended \$241 million, and Division F of P.L. 113-76 included \$693 million. Amounts may not sum to totals due to rounding.

- a. Includes \$254 million in funding for overseas contingency operations that does not count against the discretionary budget caps.
- b. Includes \$227 million in funding for overseas contingency operations that does not count against the discretionary budget caps.
- c. Includes \$6,400 million in disaster relief funding that does not count against the discretionary budget caps.
- d. Includes \$5,626 million in disaster relief funding that does not count against the discretionary budget caps.

Federal Civilian Employee Pay Raise

The Administration proposed a 1% pay increase for all civilian federal employees in its FY2014 budget request. Almost all DHS employees are considered civilians, with the significant exception of Coast Guard military personnel. On August 30, 2013, the Administration submitted its pay plan to Congress, which was originally slated to take effect as of January 1, 2014.⁷

⁷ Letter from Barack Obama, President of the United States, to the Speaker of the House of Representatives and the President of the Senate, August 30, 2013, at <http://www.whitehouse.gov/the-press-office/2013/08/30/letter-president-regarding-alternate-pay-civilian-federal-employees>.

While the House did not fund the proposed civilian pay raise, it also did not prohibit it, and noted that if the Administration chose to pursue it, it should do so within the appropriated funds for DHS.⁸ The Senate Appropriations Committee included similar language in its report, noting that it “assumes the cost of living adjustment for civilian employees across the Department will be absorbed within amounts appropriated in this act.”⁹ The Administration issued an executive order implementing the pay increase effective January 1, 2014 on December 20, 2013.¹⁰

DHS Appropriations: Comparing the Components

Unlike some other appropriations bills, breaking down the DHS bill by title does not provide a great deal of transparency into where DHS’s appropriated resources are going. The various components of DHS vary widely in the size of their appropriated budgets. The largest component is Customs and Border Protection (CBP), with an FY2014 request of \$10,833 million and final appropriation of \$10,420 million. **Table 3** and **Figure 1** show DHS’s discretionary budget authority broken down by component, from largest to smallest.¹¹

Table 3 presents the raw numbers, while **Figure 1** presents the same data in a graphic format, with additional information on the disaster relief adjustment to the allocation allowed under the Budget Control Act (P.L. 112-25). For each set of appropriations shown in **Figure 1**, the left column shows discretionary budget authority provided through the legislation, while the right column shows that amount plus resources available under the adjustments. For the purposes of this report, funding provided under these adjustments is not treated as appropriations. This comparison looks only at the new budget authority requested or provided—not budget authority rescinded to offset the cost of the bill—so the totals will differ from **Table 2**, which includes the impact of prior-year rescissions.

Table 3. DHS Discretionary Appropriations by Component, FY2014

(millions of dollars, rounded)

Component	FY2014 Request	FY2014 House-Passed	FY2014 Senate-Reported	Div. F, P.L. 113-76
Customs and Border Protection (CBP)	\$10,833	\$10,567	\$10,420	\$10,690
U.S. Coast Guard (USCG)	8,050	8,399	8,385	8,514
Immigration and Customs Enforcement (ICE)	4,997	5,384	5,054	5,269
Transportation Security Administration (TSA)	4,857	4,781	4,908	4,929
Federal Emergency Management Agency (FEMA)	3,984	4,345	4,353	4,354
U.S. Secret Service (USSS)	1,546	1,586	1,582	1,585
National Protection and Programs Directorate (NPPD)	1,267	1,459	1,474	1,471
Science & Technology Directorate (S&T)	1,527	1,225	1,218	1,220
Departmental Management	811	509	730	728
Analysis & Operations (A&O)	309	292	304	300
Domestic Nuclear Detection Office (DNDO)	291	291	289	285

⁸ H.Rept. 113-91, pp. 3-4.

⁹ S.Rept. 113-77, p. 19.

¹⁰ As found at <http://www.whitehouse.gov/the-press-office/2013/12/23/executive-order-adjustments-certain-rates-pay>.

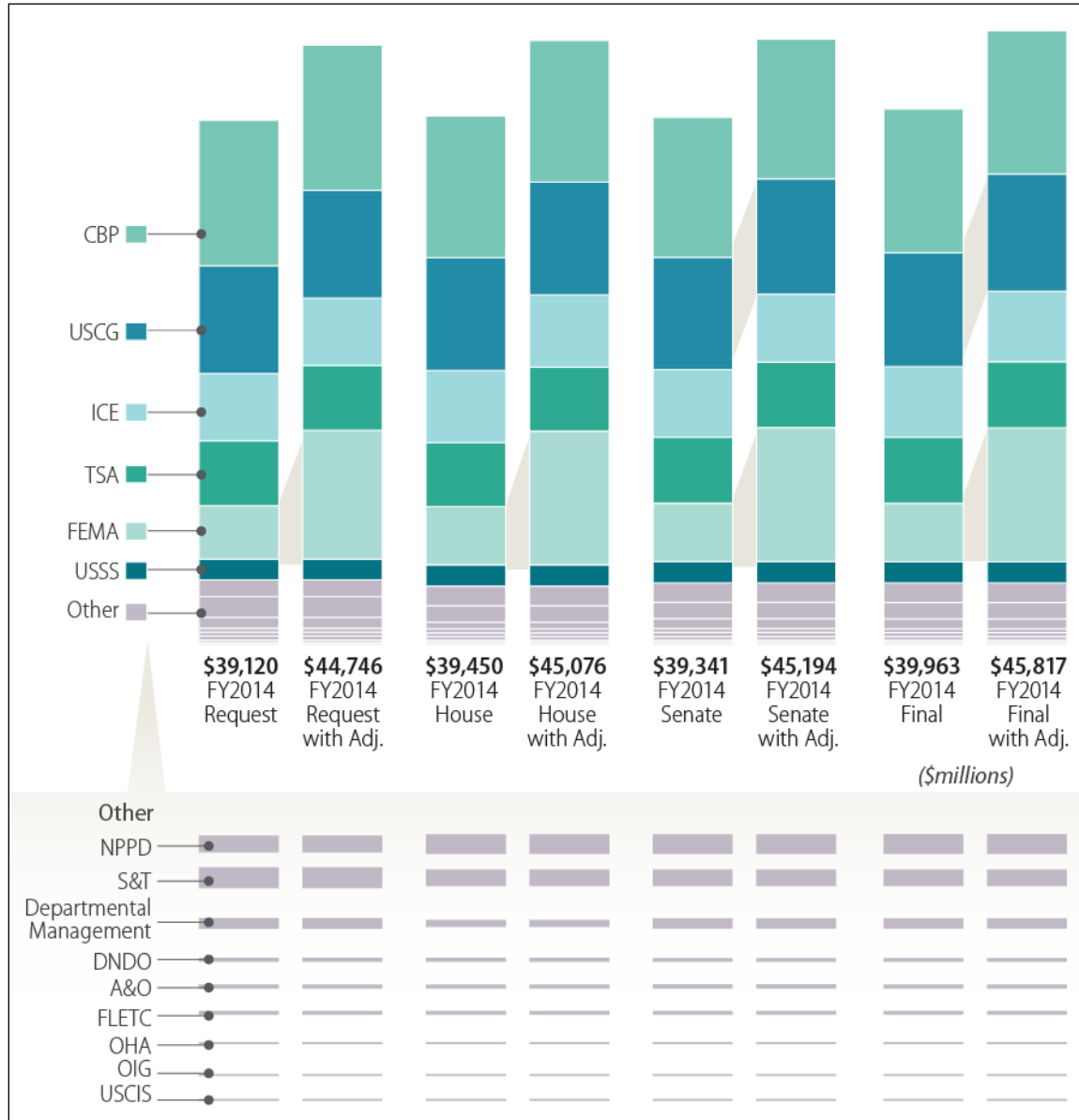
¹¹ Components are arranged based on the size of their House-passed funding level.

Component	FY2014 Request	FY2014 House- Passed	FY2014 Senate- Reported	Div. F, P.L. 113-76
Federal Law Enforcement Training Center (FLETC)	271	259	259	259
Office of Health Affairs (OHA)	132	123	128	127
U.S. Citizenship and Immigration Services (USCIS)	124	114	119	116
Office of the Inspector General (OIG)	119	114	117	115
Total	\$39,120	\$39,450	\$39,341	\$39,963

Source: H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76 and its accompanying explanatory statement.

Notes: Table does not include adjustments for disaster relief or overseas contingency operations under the Budget Control Act (P.L. 112-25), include rescissions of prior-year funding, or reflect non-appropriated resources available to DHS components.

Figure I. DHS Appropriations by Component, FY2014
(in millions of dollars, rounded)



Source: H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76 and its accompanying explanatory statement.

Notes: Amounts may not sum to totals due to rounding. Figure does not display rescissions and other general provisions, or reflect non-appropriated resources available to DHS components.

CBP = Customs and Border Protection; USCG = U.S. Coast Guard; ICE = Immigration and Customs Enforcement; TSA = Transportation Security Administration; FEMA = Federal Emergency Management Administration; USSS = U.S. Secret Service; NPPD = National Protection and Programs Directorate; S&T = Science and Technology Directorate; DNDO = Domestic Nuclear Detection Office; A&O = Analysis and Operations; FLETC = Federal Law Enforcement Training Center; OHA = Office of Health Affairs; OIG = Office of the Inspector General; USCIS = U.S. Citizenship and Immigration Services; DBA = discretionary budget authority; Adj. = adjustments to the discretionary budget caps established by the Budget Control Act.

DHS Appropriations Compared with the Total DHS Budget

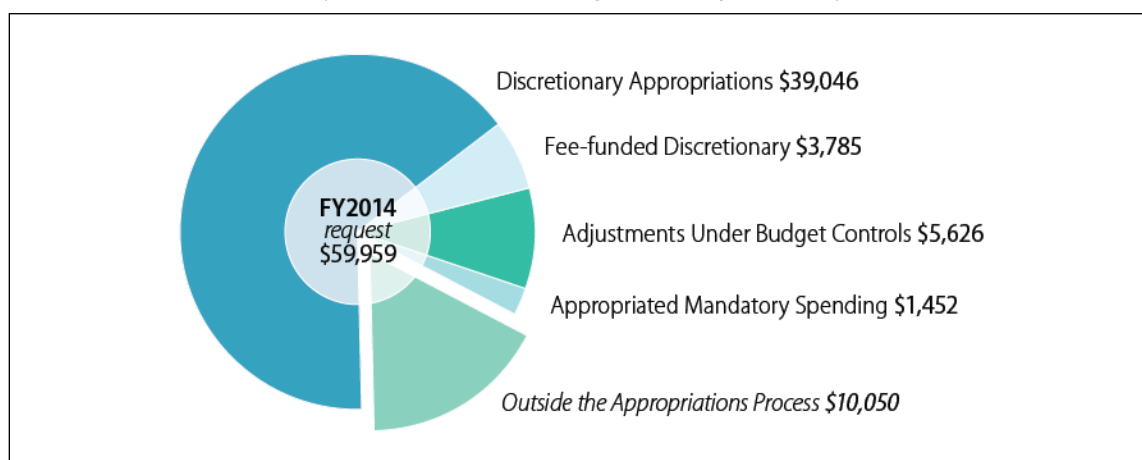
Figure 1, even with its accounting for discretionary cap adjustments, does not tell the whole story about the resources available to individual DHS components. Much of DHS's budget is not derived from discretionary appropriations. Some components, such as the Transportation Security Administration (TSA), rely on fee income or offsetting collections to support a substantial portion of their activities. U.S. Citizenship and Immigration Services (USCIS), for example, obtains less than 4% of its funding through direct appropriations—the bulk of the component's funding is derived from fee income.

Figure 2 highlights how much of the DHS budget is not funded through discretionary appropriations. It presents a breakdown of the FY2014 budget request, showing the proposed discretionary appropriations, mandatory appropriations, and adjustments under the Budget Control Act, in the context of the total amount of budgetary resources proposed to be made available to DHS, as well as other non-appropriated resources. For FY2014, 67% of the proposed DHS gross budget was funded through discretionary appropriations. The remainder of the proposed budget was funded through fees, mandatory appropriations, BCA adjustments, and other non-appropriated resources.

The amounts shown in this graph are derived from the Administration's budget request documents, and therefore do not exactly mirror the data presented in congressional documents, which are the source for the other data presented in the report, including **Table 3** and **Figure 1**.

Figure 2 DHS Gross Budget Breakdown: FY2014 Request

(millions of dollars in budget authority, rounded)



Source: DHS FY2014 Budget Request.

Notes: Budget numbers provided by OMB differ from congressional budget calculations due to a variety of factors, including recalculations of fee income, availability of prior-year rescissions, reprogrammings, transfers and other factors. Amounts may not sum to totals due to rounding.

DHS Appropriations Trends: Size

Table 4 presents DHS discretionary appropriations, as enacted, for FY2004 through FY2014. Generally speaking, annual appropriations for DHS rose from the establishment of the department, peaking in FY2010. However, the structural changes effected by the Budget Control Act that allowed disaster funding to be included in regular appropriations bills without being scored against the bill's allocation altered the downward trend as funding that might have been

provided in a supplemental appropriations bill now was provided in the annual process. Without the impact of disaster relief funding, the nominal level of annual appropriations for the department declined each year since the FY2010 peak, until increasing in FY2014. Supplemental funding, which frequently addresses congressional priorities, such as disaster assistance and border security, varies widely from year to year and as a result distorts year-to-year comparisons of total appropriations for DHS.

Note that the table includes two lines for FY2013. The first line for FY2013, in italics, describes pre-sequester resources provided to DHS. The second FY2013 line is derived from the post-sequester operating plan for the department, which examined only what was provided through the annual appropriations bill for DHS included in P.L. 113-6, and data provided by HUD's Hurricane Sandy Rebuilding Task Force.

Table 4 DHS Appropriations, FY2004-FY2014

(billions of dollars of budget authority)

	Nominal Appropriations			GDP Price Index	Constant Dollar Appropriations (2005)		
	Regular	Supplemental	Total		Regular	Supplemental	Total
FY2004	\$29.411	\$7.418	\$36.829	0.969	\$30.368	\$7.659	\$38.027
FY2005	29.557	67.328	96.885	1.000	29.557	67.328	96.885
FY2006	30.995	8.195	39.190	1.034	29.976	7.926	37.901
FY2007	34.047	4.56	38.607	1.065	31.981	4.283	36.264
FY2008	37.809	0.897	38.706	1.089	34.709	0.823	35.533
FY2009	40.07	3.143	43.213	1.103	36.318	2.849	39.167
FY2010	42.817	5.571	48.388	1.115	38.418	4.999	43.417
FY2011	42.477	0.000	42.477	1.138	37.329	0.000	37.329
FY2012	40.062	6.400	46.462	1.159	34.572	5.523	40.095
<i>FY2013</i>	<i>46.247</i>	<i>12.072</i>	<i>58.319</i>	<i>1.183</i>	<i>39.093</i>	<i>10.205</i>	<i>49.298</i>
FY2013 post-sequester	44.971	11.468	56.439	1.183	38.014	9.694	47.708
FY2014	45.123	—	45.123	1.205	37.446	—	37.446

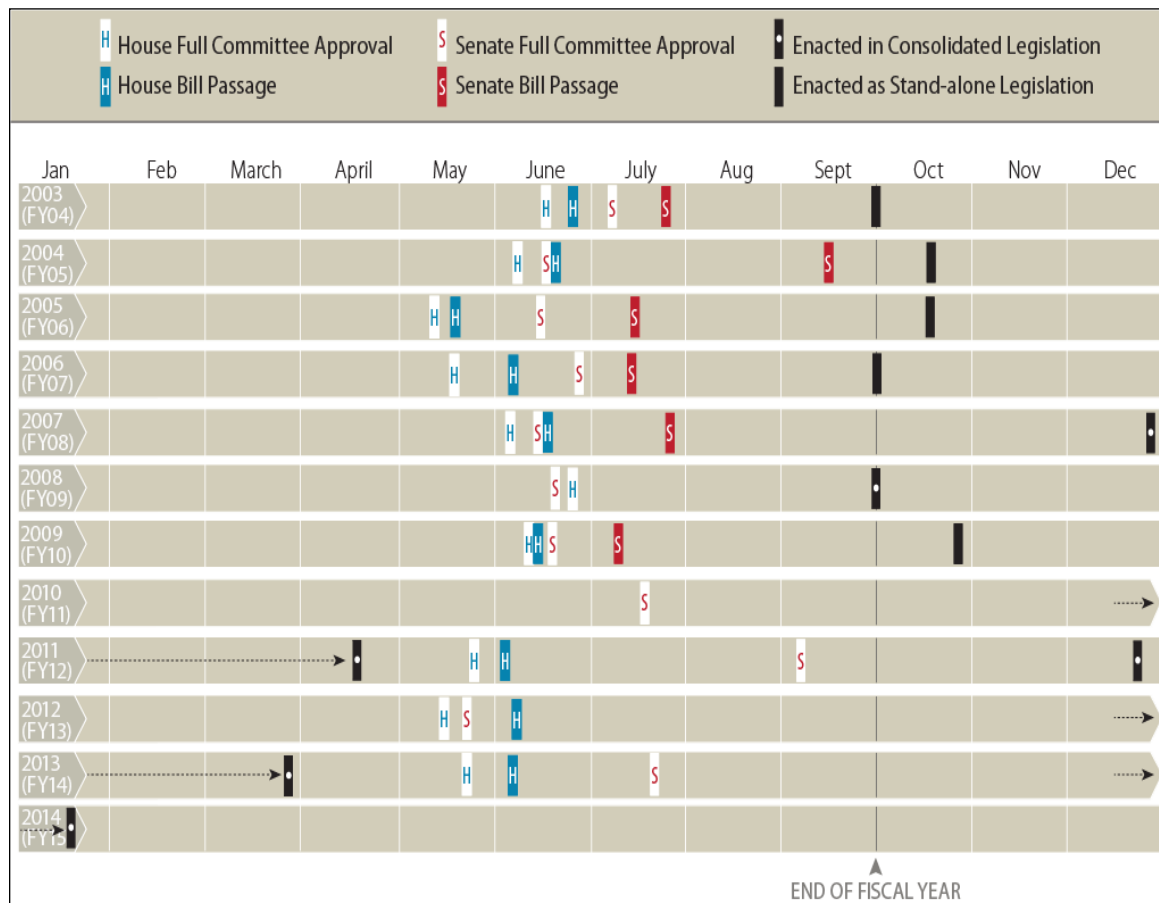
Sources: CRS analysis of Congressional appropriations documents: for FY2004, H.Rept. 108-280 (accompanying P.L. 108-90), H.Rept. 108-76 (accompanying P.L. 108-11), P.L. 108-69, P.L. 108-106, and P.L. 108-303; for FY2005, H.Rept. 108-774 (accompanying P.L. 108-334), P.L. 108-324, P.L. 109-13, P.L. 109-61, and P.L. 109-62; for FY2006, H.Rept. 109-241 (accompanying P.L. 109-90), P.L. 109-148, and P.L. 109-234; for FY2007, H.Rept. 109-699 (accompanying P.L. 109-295) and P.L. 110-28; for FY2008, Division E of the House Appropriations Committee Print (accompanying P.L. 110-161) and P.L. 110-252; for FY2009, Division D of House Appropriations Committee Print (accompanying P.L. 110-329), P.L. 111-5, P.L. 111-8, and P.L. 111-32; for FY2010, H.Rept. 111-298 (accompanying P.L. 111-83), P.L. 111-212, and P.L. 111-230; for FY2011, P.L. 112-10 and H.Rept. 112-331 (accompanying P.L. 112-74); for FY2012, H.Rept. 112-331 (accompanying P.L. 112-74) and P.L. 112-77; for FY2013, Senate explanatory statement (accompanying P.L. 113-6), P.L. 113-2, the DHS Fiscal Year 2013 Post-Sequestration Operating Plan dated April 26, 2013, and financial data from the Hurricane Sandy Rebuilding Task Force Home Page at <http://portal.hud.gov/hudportal/HUD?src=/sandyrebuilding/recoveryprogress>; and for FY2014, the explanatory statement accompanying P.L. 113-76.

Notes: Emergency funding, appropriations for overseas contingency operations, and funding for disaster relief under the Budget Control Act's allowable adjustment are included based on their legislative vehicle. Transfers from DOD and advance appropriations are not included. Emergency funding in regular appropriations bills is treated as regular appropriations. Numbers in italics do not reflect the impact of sequestration.

DHS Appropriations Trends: Timing

Figure 3 shows the history of the timing of the DHS appropriations bills as they have moved through various stages of the legislative process. Initially, DHS appropriations were enacted relatively promptly, as stand-alone legislation. However, the bill is no longer an outlier from the consolidation and delayed timing that has affected other annual appropriations legislation.

Figure 3. DHS Appropriations Legislative Timing



Source: CRS analysis.

Note: Final action on the annual appropriations for DHS for FY2011, FY2013, and FY2014 did not occur until after the beginning of the new calendar year.

Title I: Departmental Management and Operations

Title I of the DHS appropriations bill provides funding for the department's management activities, Analysis and Operations (A&O) account, and the Office of the Inspector General (OIG). The Administration requested \$1,239 million for these accounts in FY2014. The House-passed bill would have provided \$883 million in Title I, a decrease of 28.0% from the requested

level. The Senate-reported bill would have provided \$1,054 million in Title I, 14.9% below the requested level. Division F of P.L. 113-76 included \$1,037 million in Title I, 16.3% below the requested level.¹²

Table 5 lists the pre-sequester enacted amounts for the individual components of Title I for FY2013, the Administration's request for these components for FY2014, the House-passed and Senate-reported appropriations for the same, and the annual appropriation enacted through Division F of P.L. 113-76. The heavy lines in this table and in similar ones later in the report serve as a reminder that direct comparisons between the pre-sequester FY2013 funding and FY2014 proposals are not comparisons of current levels of actual spending and proposals for the coming fiscal year, as one would normally see in this type of report.

Table 5. Title I: Departmental Management and Operations, FY2013-FY2014
(millions of dollars in budget authority)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113- 76
Office of the Secretary and Executive Management	\$130	\$0	\$130	\$127	\$100	\$124	\$122
Office of the Under Secretary for Management	218	0	218	203	135	198	196
Office of the Chief Financial Officer	51	0	51	49	31 ^a	48	46
Office of the Chief Information Officer	243	0	243	327	211	263	257
Analysis and Operations	322	0	322	309	292	304	300
DHS Headquarters Consolidation ^b	0	0	0	106	0	0 ^c	0 ^d
Office of the Inspector General ^e	121	0	121	119	114	117	115
Net Budget Authority: Title I	1,087	0	1,087	1,239	883	1,054	1,037

¹² While these accounts presented in Title I do show some reductions, some funding for activities requested in the accounts presented in Title I of the bill is provided through appropriations for other components, or through general provisions.

	FY2013 Enacted (presequester)			FY2014 Appropriations			
Total Gross Budgetary Resources for Title I Components before Transfers	1,087	0	1,087	1,239	883	1,054	1,037

Source: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Notes: Amounts may not sum to totals due to rounding.

- This includes the impact of Sec. 587, a general provision added through a floor amendment that reduced this line by \$10 million.
- This line reflects only funding for DHS Headquarters Consolidation included in Title I of the DHS appropriations bill. Other funding has been provided under Coast Guard accounts and in general provisions in previous years.
- \$56 million is provided for this purpose in Coast Guard Operating Expenses and in General Provisions.
- \$48 million is provided for this purpose in Coast Guard Operating Expenses and in General Provisions in Division F of P.L. 113-76.
- The Office of the Inspector General also receives transfers from FEMA to pay for oversight of disaster-related activities that are not reflected in these tables.

Departmental Management¹³

The departmental management accounts cover the general administrative expenses of DHS. They include the Office of the Secretary and Executive Management (OSEM), which comprises the Immediate Office of the Secretary and 12 entities that report directly to the Secretary; the Under Secretary for Management (USM) and its components—the offices of the Chief Readiness Support Officer (formerly, the Office of the Chief Administrative Officer (OCAO)), Chief Human Capital Officer (OCHCO), Chief Procurement Officer (OCPO), and Chief Security Officer (OCSO); the Office of the Chief Financial Officer (OCFO); and the Office of the Chief Information Officer (OCIO). The Administration has usually requested funding for the consolidation of DHS headquarters here as well.

In this section and in each section hereafter, a graphic follows the component or element description and provides a numeric and graphic representation of the discretionary appropriation provided to the relevant part of DHS described in the report. This graphic provides a quick reference to the size of a DHS component's appropriations relative to those of other DHS components in DHS as well as a visual comparison of the component's appropriation under the FY2014 request, the House-passed and Senate-reported bills for FY2014, and Division F of P.L. 113-76.

¹³ Prepared by Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division.

Departmental Management

(\$millions discretionary appropriations)

FY2014



FY2014 Request

The Administration requested the following appropriations for these departmental management accounts: OSEM, \$127 million; USM, \$203 million; OCFO, \$49 million; and OCIO, \$327 million.

Office of the Secretary and Executive Management (OSEM)

The Administration requested \$127 million for OSEM and 628 full-time employee equivalents (FTEs). As in the FY2013 budget, the Administration once again proposed separate line items for three offices—the Office of International Affairs, the Office of State and Local Law Enforcement, and the Private Sector Office—that are currently funded under the Office of Policy.

Two program changes from the FY2012 baseline were included in the request for the Office for Civil Rights and Civil Liberties: \$135,000 to support the department’s role in countering domestic violence extremism; and more than a million dollars for oversight support of ICE’s Secure Communities and 287(g) programs. A program change for the Office of Public Affairs included \$3 million to continue and expand the “If You See Something, Say Something” campaign.¹⁴

Under Secretary for Management (USM)

The Administration requested \$203 million for the USM and 872 FTEs. Several program changes from the FY2012 baseline were proposed under this appropriation:

- The Office of the Chief Readiness Support Officer included a \$1.7 million reduction for the Asset Management Portfolio Review and a \$271,000 reduction for the Nebraska Avenue Complex Facility Design;
- Human Resources Information Technology included a \$4.5 million reduction in funding for contract support and systems implementation; and
- The Office of the Chief Procurement Officer included a \$3.8 million reduction for In-Residence Course Offerings and a \$3.4 million reduction for Security Support Services.¹⁵

¹⁴ U.S. Department of Homeland Security, *Departmental Management and Operations, Office of the Secretary and Executive Management, Congressional Justification, Fiscal Year 2014*, pp. OSEM-13 and OSEM-15.

¹⁵ U.S. Department of Homeland Security, *Departmental Management and Operations, Under Secretary for Management, Congressional Justification, Fiscal Year 2014*, pp. USM-8-9; USM-14; USM-17; and USM-19.

Office of the Chief Financial Officer (OCFO)

The Administration requested \$49 million for the OCFO and 208 FTEs. Program changes from the FY2012 baseline included a \$4 million increase for Financial Systems Modernization and a \$2.7 million reduction in contract support.¹⁶

Office of the Chief Information Officer (OCIO)

The Administration requested \$327 million for the OCIO and 274 FTEs. Program changes totaling more than \$80 million were requested from the FY2012 baseline. These included increases of \$35 million for Sharing and Safeguarding Classified Information, \$6 million for Identity, Credential, and Access Management, and \$54 million for Data Center Migration and reductions of \$1.2 million for Enterprise-Wide Human Capital Planning, \$1 million for Geospatial Information Infrastructure, and \$10 million in Information Security and Infrastructure Activities.¹⁷

House-Passed H.R. 2217

H.R. 2217, as passed by the House, would have provided the following appropriations as compared with the President's request: OSEM, \$100 million (\$27 million or 21.2% less); USM, \$135 million (\$68 million or 33.5% less); OCFO, \$31 million (\$18 million or 36.7% less); OCIO, \$211 million (\$116 million or 35.5% less). The House Committee on Appropriations justified some of these reductions on the basis of the need to cover the lack of revenue from unrealized funding proposals that were intended to offset the cost of the bill and because of the department's failure to comply with several statutory requirements that were included in previous appropriations acts.

Office of the Secretary and Executive Management (OSEM)

Within OSEM, \$5 million would be provided for enhancements to the "If You See Something, Say Something" campaign. The proposed separate line items for the Office of International Affairs, the Office of State and Local Law Enforcement, and the Private Sector Office would have been denied under House-passed H.R. 2217. The offices were directed to remain within the Office of Policy, and a \$2 million reduction in the requested aggregate funding for these three offices would have been realized proportionally through "reductions in duplicative administrative functions."¹⁸

A floor amendment to H.R. 2217 was adopted by voice vote on June 5, 2013, which used funding for the OSEM as an offset, thus reducing the amount available for OSEM by \$3 million from the House Appropriations Committee recommendation of \$103 million.¹⁹

Under Secretary for Management (USM)

The House-reported bill included \$171 million for the USM, \$32 million below the requested level. Under the USM appropriation, funding of \$30 million would have been provided for the

¹⁶ U.S. Department of Homeland Security, *Departmental Management and Operations, Office of the Chief Financial Officer, Congressional Justification, Fiscal Year 2014*, pp. OCFO-11 – OCFO-13.

¹⁷ U.S. Department of Homeland Security, *Departmental Management and Operations, Office of the Chief Information Officer, Congressional Justification, Fiscal Year 2014*, pp. OCIO-9, OCIO-12, OCIO-18, and OCIO-21.

¹⁸ H.Rept. 113-91, p. 9.

¹⁹ H.Amdt. 98, agreed to by a voice vote on June 5, 2013.

Chief Administrative Officer, of which \$4 million would have been allocated for improvements, maintenance, and current operations at the Nebraska Avenue Complex.

Four floor amendments, adopted by voice vote on June 5, 2013, used funding for the USM as an offset, thus reducing the amount available for the USM by \$36 million from the House Appropriations Committee recommended level of \$171 million, including

- H.Amdt. 100, to increase funds for Border Security Fencing, Infrastructure, and Technology by \$10 million;
- H.Amdt. 102, to increase funds for Firefighter Assistance Grants by \$5 million;
- H.Amdt. 103, to increase funds for the Urban Search and Rescue Response System by \$7,667,000; and
- H.Amdt. 104, to increase funds for Transportation Security Administration Surface Transportation Security by \$15,676,000.

Office of the Chief Financial Officer (OCFO)

The House-reported bill included \$41 million for the USM, \$8 million below the requested level. Under the OCFO account, 50% of the total appropriation would have been withheld from obligation until the committee received all reports that were, by statute, required to be submitted with or in conjunction with the FY2015 budget request. The House report expressed concern with the significant cost of international rotations of DHS personnel through secondment positions in foreign countries and the expectation that the CFO would review the costs of all such positions. Funding for any further secondment positions in FY2014 would have been denied.

The House report continued to provide direction to the department on the contents for its budget justifications for the coming year through this office, including a Future Years Homeland Security Plan covering FY2015 through FY2019.²⁰

An adopted floor amendment further reduced the amount that would have been available for OCFO by \$10 million from the House Appropriations Committee recommended level of \$41 million.²¹

Office of the Chief Information Officer (OCIO)

The House-passed appropriation of \$211 million for the Office of the Chief Information Officer would have been allocated to two sub-appropriations: \$99 million for salaries and expenses and \$111 million for development and acquisition of information technology equipment, software, services, and related activities through September 30, 2015. Data Center Migration would have been funded through a general provision under Title V of the bill and would have received an appropriation of \$34 million.

Senate-Reported H.R. 2217

H.R. 2217, as reported by the Senate Committee on Appropriations, would have provided the following appropriations, as compared with the President's request: OSEM, \$124 million (\$3 million or 2.3% less); USM, \$198 million (\$4.5 million or 2.2% less); OCFO, \$48 million (\$779,000 or 1.6% less); and OCIO, \$263 million (\$64.2 million or 19.6% less). The total funding provided by the Senate-reported bill for departmental management in Title I would have

²⁰ H.Rept. 113-91, p. 19.

²¹ H.Amdt. 134, agreed to by a recorded vote of 287-136 (Roll no. 207) on June 6, 2013.

been \$633 million. This would have represented a decrease of \$72.3 million, or 10.2%, from the President's request of \$705 million, not including the funding for DHS headquarters consolidation. See **Table 6** for additional detail.

Office of the Secretary and Executive Management (OSEM)

As in the House-passed version of the legislation, the Senate bill would have rejected the Administration's proposal to fund certain offices separately from the Office of Policy. However, the Senate committee report did not include the House's \$2 million reduction to the Office of Policy.

Under Secretary for Management (USM)

According to the Senate report, proposed reductions in funding for individual offices below the request, unless otherwise specifically addressed, were "due to a constrained budget environment and to focus limited resources on the Department's critical operational missions."²²

In addition to continuing to produce annual comprehensive and quarterly acquisition status reports, the Senate Appropriations Committee directed DHS to revise the acquisition instruction manual by requiring the collection and distribution of information on lessons learned with regard to canceled acquisition programs, consistent with the recommendations made in a May 2013 GAO report.²³

Office of the Chief Financial Officer (OCFO)

For the OCFO, the Senate Appropriations Committee-recommended appropriation of \$48 million would have included the requested \$4 million increase for Financial Systems Modernization, which would have allowed the OCFO to provide governance and oversight of some components' migration to a "financial systems solution." The Coast Guard was expected to undertake the migration of its financial management system in FY2014—a move anticipated to support financial management at the Transportation Security Administration and the Domestic Nuclear Detection Office.²⁴

Like the House report, the Senate report continued to provide direction to the department on the contents for its budget justifications for the coming year through this office, including a Future Years Homeland Security Plan covering FY2015 through FY2019. The Senate report also continued to carry under the OCFO the minimum parameters for the all expenditure plans for specific DHS programs required by the appropriations committees.

Office of the Chief Information Officer (OCIO)

For the OCIO, the Senate Appropriations Committee-recommended appropriation of \$263 million would have included \$115 million for salaries and expenses and \$148 million to be available through FY2016 for technology investments across the department that are overseen by the OCIO, including \$45 million for development and acquisition of IT equipment, software,

²² Ibid., pp. 15-16.

²³ U.S. Government Accountability Office, "Combating Nuclear Smuggling: Lessons Learned from Cancelled Radiation Portal Monitor Program Could Help Future Acquisitions," GAO-13-256, May, 2013; and S.Rept. 113-77, pp. 16-17.

²⁴ S.Rept. 113-77, p. 19.

services, and related activities and \$54 million to complete data center migration carried in a general provision at Section 546. The committee report affirmed that the migration “will lead to operational efficiencies, reduced geographic footprint, data sharing synergies, reduced energy consumption, and clarity of mission throughout the Department” and noted that “investment in data center consolidation of the first 10 data centers is already resulting in annual savings of \$17,000,000 and could result in savings of \$3,000,000,000 by 2030.”²⁵

The Senate committee report recommended an increase of almost \$30 million in the appropriation for implementing “information sharing and safeguarding measures to protect classified national security information” to be compliant with the implementation of Executive Order 13587, as opposed to the request of \$35 million.²⁶

Division F of P.L. 113-76

The act provided the following appropriations, as compared with the President’s request: OSEM, \$122 million (\$4.2 million or 3.3% less); USM, \$196 million (\$6.7 million or 3.3% less); OCFO, \$46 million (\$2.8 million or 5.7% less); and OCIO, \$257 million (\$70 million or 21.4% less). The total funding provided by Division F of P.L. 113-76 for Departmental Management in Title I was \$622 million. This was a decrease of \$97 million, or 13.7%, from the President’s request of \$705 million, not including the funding for DHS headquarters consolidation at St. Elizabeths. See **Table 6** for additional detail.

Office of the Secretary and Executive Management (OSEM)

As in FY2013 and in the House-passed and Senate-reported versions of H.R. 2217, P.L. 113-76 included a \$45,000 limit on the use of OSEM appropriations for official reception and representation expenses, and the explanatory statement directed DHS to continue to submit quarterly reports on those expenses.

Requirements are included in the OSEM appropriation for expenditure plans for the Offices of Policy, Intergovernmental Affairs, Civil Rights and Civil Liberties, and Citizenship and Immigration Services Ombudsman, and the Privacy Officer, although previous provisions withholding funds until these plans were delivered were not included. The explanatory statement noted that “no funds from OSEM are withheld from obligation until these plans are submitted so as to afford the department’s new leadership an opportunity to demonstrate compliance with the law.”²⁷

Like the House-passed and Senate-reported bills, the act continued to fund the Office of International Affairs, the Office of State and Local Law Enforcement, and the Private Sector Office within the appropriation for the Office of Policy and provided additional direction for the office’s expenditure plan and FY2015 budget justification.

The Office of Public Affairs received an additional \$3 million to enhance the “If you See Something, Say Something” public awareness campaign.

²⁵ Ibid., p. 22.

²⁶ Ibid.

²⁷ Division F of “Explanatory Statement Submitted by Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations, Regarding the House Amendment to the Senate Amendment on H.R. 3547, the Consolidated Appropriations Act,” as posted on the Rules Committee website at <http://rules.house.gov/bill/113/hr-3547-sa> and downloaded March 27, 2014 (hereafter “Explanatory Statement”), p. 3

The Deputy Secretary, joined by CBP and ICE, was directed to report within 60 days of enactment on further efforts to address corruption by DHS employees. DHS was directed to develop a hiring strategy including background investigations of potential new hires.

Under Secretary for Management (USM)

The law directed the USM to submit a Comprehensive Acquisition Status Report to the House and Senate Committees on Appropriations at the same time that the President submits his FY2015 budget and quarterly thereafter, not later than 45 days after the completion of each quarter.

As with OSEM, FY2014 funds were not withheld from obligation by the USM to afford the department's new leadership an opportunity to demonstrate its compliance with reporting requirements carried in statute. According to the explanatory statement, reduced appropriations for offices within the USM account resulted from disproportionately high lapsed balances at the end of FY2013 and funding needs across DHS.

Office of the Chief Financial Officer (OCFO)

P.L. 113-76 included a directive under the OCFO account that the Secretary of Homeland Security submit the Future Years Homeland Security Program (FYHSP) to the House and Senate Committees on Appropriations at the same time as the President's FY2015 budget is submitted.

As with other departmental management elements, FY2014 funds were not withheld from obligation by the OCFO to afford the department's new leadership an opportunity to demonstrate its compliance with reporting requirements carried in statute.

The CFO was directed to continue briefings (at least semiannually) on Financial Systems Modernization for the House and Senate Committees on Appropriations and to submit a detailed expenditure plan on the modernization within 45 days after enactment. A new general provision at Section 547 provided almost \$30 million for financial systems modernization.

Office of the Chief Information Officer (OCIO)

Within the OCIO account, \$115 million was provided for salaries and expenses and \$142 million²⁸ was to remain available until September 30, 2015, for the development and acquisition of information technology equipment, software, services, and related activities for the department. An appropriation of \$21 million funded information sharing and safeguards to protect classified national security information.

Section 546 of the law provided \$42 million for data center migration. The CIO was required to submit a detailed expenditure plan for the migration within 45 days after enactment.

Under Section 551, the CIO was required to submit a multi-year investment and management plan for FY2014 through FY2017 to the House and Senate Committees on Appropriations, concurrent with the submission of the President's FY2015 budget.

²⁸ This amount was allocated as follows: Information Technology Services (\$34 million), Infrastructure and Security Activities (\$45 million), and Homeland Secure Data Network (\$63 million).

Table 6 DHS Management Account Appropriations, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Office of the Secretary and Executive Management	\$130	\$0	\$130	\$127	\$100	\$124	\$122
Immediate Office of the Secretary	4	0	4	4	3	4	4
Immediate Office of the Deputy Secretary	2	0	2	2	2	2	2
Office of the Chief of Staff	2	0	2	2	1	2	2
Executive Secretary	8	0	8	8	4	8	7
Office of Policy ^a	44	0	44	38	30	37	37
Office of Public Affairs	5	0	5	9	9	9	9
Office of Legislative Affairs	6	0	6	5	5	5	5
Office of Intergovernmental Affairs	2	0	2	3	2	2	2
Office of General Counsel	21	0	21	21	18	20	20
Office of Civil Rights and Civil Liberties	22	0	22	22	18	22	22
Citizenship and Immigration Services Ombudsman	6	0	6	5	5	5	5
Privacy Officer	8	0	8	8	7	8	8
Floor Amendment ^b	—	—	—	—	-3	—	—
Under Secretary for Management^c	218	0	218	203	135	198	196
Immediate Office of the Under Secretary	3	0	3	3	2	3	3
Office of Security	69	0	69	66	56	65	64
Office of the Chief Procurement Officer	72	0	72	67	56	66	65
Office of the Chief Human Capital Officer	35	0	35	31	27	30	30
Office of the Chief Administrative Officer	40	0	40	36	30	35	35
Floor Amendments	—	—	—	—	-36	—	—
Office of the Chief Financial Officer	51	0	51	49	31	48	46
Office of the Chief Information Officer	243	0	243	327	211	263	257

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
DHS Headquarters Consolidation^d	0	0	0	106	0	0	0
Total, Departmental Management	643	0	643	811	475	633	622

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, and P.L. 113-76 and its accompanying House explanatory statement.

Notes: Amounts may not sum to totals due to rounding.

- This number for the Office of Policy reflects the existing structure of that office. The Administration proposed in its FY2013 budget request separating the Office of International Affairs, Office of State and Local Law Enforcement and the Private Sector Office from of the Office of Policy. Congress rejected this proposal.
- A floor amendment in the House reduced this account by \$3 million, but its effect across the activities is not specified.
- Four amendments passed the House that reduced funding for a set of activities account by a total of \$36 million, but its impact across the activities is not specified.
- This line reflects only funding for DHS Headquarters Consolidation included in Title I of the DHS appropriations bill. Other funding has been provided under Coast Guard accounts and in general provisions in previous years. P.L. 113-76 included \$48 million through those parts of the FY2014 act.

Issues for Congress

The reports of the House and Senate Appropriations committees that accompanied the House and Senate versions of H.R. 2217, as well as the explanatory statement accompanying Division F of P.L. 113-76, identified several issues before the department. Among the issues were those on vacancies in the department's political leadership positions, the morale of DHS employees, bonuses and awards for personnel, measures for determining the department's performance, and containing departmental travel costs. Brief discussions of each of these issues follow.

Political Leadership Position Vacancies

Stating that the Office of Personnel Management's 2012 Federal Employee Viewpoint Survey noted a lack of effective leadership at DHS, the House committee report stated that "Innovation and proactive thinking are often lacking when a government agency or office is under acting leadership as career leaders seek to reinforce established business processes without disruption." The report expressed concern about leadership vacancies in CBP and OIG, stating that, "No Senate confirmed CBP Commissioner has been in place since the beginning of 2009," and "[N]o Senate confirmed Inspector General has been in place since early 2011."²⁹ On March 6, 2014, R. Gil Kerlikowske was confirmed as Commissioner of CBP, and John Roth was confirmed as the DHS Inspector General.

²⁹ H.Rept. 113-91, pp. 14-15.

Employee Morale

Concerns about “findings of low morale and a weak environment for innovation across the Department” were expressed in the House committee report. Specifically, the report noted that one independent study placed DHS “among the lowest-rated Federal agencies in both employee morale and innovative workplaces, with eight offices ranked in the bottom 12 percent and the Office of the Under Secretary for Science and Technology ranking 292nd out of 292 agencies.” The department was directed, within 60 days after the act’s enactment, to provide “a corrective action plan” to address the morale and innovation issues to the “relevant Congressional Committees of jurisdiction.” The “root causes” of the deficiencies and “metrics of success” that are “clear and measureable” were to be examined in the plan.³⁰

Bonuses and Awards

The House committee report affirmed that bonuses and monetary awards are “important tools in recognizing and motivating high achieving agency personnel” and could be a means for encouraging employees to increase their productivity and employ creative ideas. The House Appropriations Committee was concerned, however, that more than half the employees (and, in some case, 90% of employees) in a component or office had received awards, including quality step increases, and that this practice “may cause these awards to lose their value as a form of recognition or incentive.” The report stated that DHS did not grant performance awards in FY2013 because of reductions in funding and directed the department to include award amounts, estimated by component, and the standards and criteria that would be applied in making determinations of awards, with the FY2015 budget request.³¹

Performance of the Department

Noting that the department’s annual performance reports “do not satisfactorily tie resources to results,” the House committee report stated that Congress “is forced to make resource allocation decisions without sufficient information about the impact of those decisions.” It also stated that DHS “must make significant additional progress” in defining its missions, strategies, goals, and priorities, including development of the next Quadrennial Homeland Security Review (QHSR), Future Years Homeland Security Programs (FYHSP), and the annual budget requests. Of particular interest to the committee was performance-based budgeting that “more systematically and comprehensively tie[s] long-term strategies and goals to performance measures involving programs, assets, capabilities, policies, and authorities” and “clearly link[s] prioritized goals to anticipated resources.” The department was directed to include “in future QHSRs, FYHSPs, and annual budget proposals, clearly defined and prioritized mission goals and associated, multi-year plans for providing sufficient resources to realize those goals.” In addition, budget justifications were to include performance measures that “measure outcome (results/impact), output (volume) and efficiency.” DHS, working with the Government Accountability Office, was directed to submit “a comprehensive report that provides updated performance metrics that are measurable, repeatable, and directly linked to requests for funding.”³²

The Senate committee report spoke to the issue of metrics as well, noting that DHS undertook an efficiency review in March 2009, to reduce overhead and administrative costs, streamline

³⁰ Ibid., p. 14.

³¹ Ibid., pp. 12-13.

³² Ibid., pp.13-14.

operations, and establish a culture of efficiency. An independent third-party assessment of this process in November 2012 resulted in recommendations including those on “emphasizing consistency in efficiency review investments across all components” and “expanding metrics reporting.”³³ The report directed the department to brief the committee on the implementation of the recommendations within 60 days of enactment.

Departmental Travel Costs

The act continued a provision first included in the FY2010 appropriation for OSEM directing that all official costs associated with the use of government aircraft by DHS personnel in support of the Secretary’s and the Deputy Secretary’s official travel be paid from amounts made available for their immediate offices. The explanatory statement directed the department to provide further reporting on travel costs to improve transparency, and directed DHS to “significantly reduce the number of offline travel bookings in FY2014.” The explanatory statement also directed the Office of the Inspector General to “examine department-wide travel costs and to identify excessive expenditures and potential savings.”³⁴

DHS Headquarters Consolidation³⁵

The Department of Homeland Security’s headquarters footprint occupied more than 7.5 million square feet of office space in more than 40 locations in the greater Washington, DC area, as of the beginning of FY2014. This is largely a legacy of how the department was assembled in a short period of time from 22 separate federal agencies that were themselves spread across the National Capital region. The fragmentation of headquarters is cited by the Department as a major contributor to inefficiencies, including time lost shuttling staff between headquarters elements; additional security, real estate, and administrative costs; and reduced cohesion among the components that make up the department.

To unify the department’s headquarters functions, the department and General Services Administration (GSA) approved a master plan in October 2006 to create a new DHS headquarters on the grounds of St. Elizabeths in Anacostia. According to GSA, this would be the largest federal office construction since the Pentagon was built during World War II.

FY2014 Request

The Administration requested \$106 million for the activities related to the St. Elizabeths DHS headquarters project as part of the budget for departmental operations. This included \$93 million for construction and \$13 million in costs for campus security.³⁶

³³ S.Rept. 113-77, p. 13.

³⁴ Explanatory Statement, p 6.

³⁵ Prepared by William L. Painter, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

³⁶ Not all DHS headquarters functions in the National Capital Region are slated to move to the new facility. The Administration has sought funding several times in recent years for consolidation of some of those other offices to fewer locations to save money on lease costs. There was no such request for FY2014, however.

House-Passed H.R. 2217

House-passed H.R. 2217 included no funding for construction at St. Elizabeths, and the House Appropriations Committee did not indicate that the bill included any funding for campus security costs.

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 included no funding under Title I, but \$43 million for costs associated with headquarters consolidation under the bill's general provisions, and \$13 million in Coast Guard Operating Expenses for campus security costs.³⁷

Division F of P.L. 113-76

Division F of P.L. 113-76 included no funding for the headquarters consolidation project under Title I, but like the Senate-reported bill, included \$35 million for costs associated with headquarters consolidation under the bill's general provisions, and \$13 million in Coast Guard Operating Expenses for campus security costs.

Issues for Congress

The initial cost estimate for the St. Elizabeths project was \$3.4 billion. Of this project, \$1.4 billion was to be funded through the DHS budget and \$2 billion through the GSA.³⁸ The latest cost estimates for the project present a phased approach to construction that would require less yearly funding, but would take longer to complete and be more expensive as a result. If funding is provided for one segment each year, DHS and GSA indicate the project will cost \$4.5 billion to complete, with the final segment being finished in FY2026.³⁹ Even so, GSA estimates \$532 million in savings over 30 years solely comparing construction costs to lease costs.⁴⁰

According to DHS, \$1,368 million has been invested in the project so far through FY2013—\$460 million through DHS and \$908 million through GSA.⁴¹ Phase 1A of the project—a new Coast Guard headquarters facility—has been completed as is operational. FY2014 funding was below the requested level for both DHS and GSA elements of the planned construction on the center building complex. The spending plan envisioned \$93 million from DHS for construction, and \$262 million from GSA—which received only \$35 million and \$155 million, respectively. Nevertheless FY2014 funding represented the largest tranche of funding provided for the project since FY2009.

Congress may wish to consider whether to continue with the consolidation effort at St. Elizabeths—taking into account the existing Coast Guard presence and investment in infrastructure on the site, the size of the future investment needed to complete the project, and the

³⁷ S.Rept. 113-77, p. 18.

³⁸ U.S. Congress, House Committee on Appropriations, Subcommittee on Homeland Security, *Homeland Security Headquarters Facilities*, 111th Cong., 2nd sess., March 25, 2010 (Washington: GPO, 2010), pp. 335-366.

³⁹ “St. Elizabeths Development Revised Baseline,” document provided by DHS, June 12, 2013.

⁴⁰ “Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington, DC,” PDC-002-WA14, p. 14, accessed on September 3, 2013 at http://www.gsa.gov/portal/mediaId/170067/fileName/2014_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.

⁴¹ Email from DHS Legislative Affairs to author, March 12, 2013. Some of GSA's investment in St. Elizabeths would have been required without the DHS headquarters to stabilize and maintain the structures on the federally owned site.

potential savings and benefits—and if the decision is made to continue, whether to proceed more quickly than the latest baseline projects in order to reduce costs and generate the efficiencies of consolidation more quickly.⁴²

Analysis and Operations⁴³

Analysis and Operations (A&O)

(\$millions discretionary appropriations)

FY2014



Funds included in the Analysis and Operations account support both the Office of Intelligence and Analysis (I&A) and the Office of Operations Coordination and Planning (OPS). I&A is responsible for managing the DHS intelligence enterprise and for collecting, analyzing, and sharing intelligence information for and among all components of DHS, and with the state, local, tribal, and private sector homeland security partners. Because I&A is a member of the intelligence community,⁴⁴ its budget comes in part from the classified National Intelligence Program.⁴⁵ OPS develops and coordinates departmental and interagency operations plans. It also manages the National Operations Center, the primary 24/7 national-level hub for domestic incident management, operations coordination, and situational awareness; fusing law enforcement, national intelligence, emergency response, and private sector information.

FY2014 Request

The FY2014 request for the Analysis and Operations account was \$309 million. The account request included funding for 852 FTEs (874 positions).

House-Passed H.R. 2217

House-passed H.R. 2217 would have included \$292 million for the Analysis and Operations account, \$17.6 million (5.7%) below the amount requested.

According to H.Rept. 113-91, the House Committee on Appropriations reduced funding for OPS because of a need to “offset severe flaws within [DHS’s] budget request and due to an inadequate justification.” The committee also denied the requested decrease to cybersecurity analysis and

⁴² For a more detailed discussion of this project, including appropriations sought in other legislation, see CRS Report R42753, *DHS Headquarters Consolidation Project: Issues for Congress*, by William L. Painter.

⁴³ Prepared by Jerome P. Bjelopera, Specialist in Organized Crime and Terrorism, Domestic Social Policy Division.

⁴⁴ The intelligence community (IC), as defined in 50 U.S.C. 401a(4), includes the Central Intelligence Agency, the National Security Agency, the National Reconnaissance Office, the National Geospatial-Imagery Agency, the Defense Intelligence Agency, the Bureau of Intelligence and Research of the State Department, the Office of Intelligence and Analysis of the Treasury Department, DHS’s I&A as well as intelligence elements within the Federal Bureau of Investigation, the Drug Enforcement Administration, the Department of Energy, the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

⁴⁵ The National Intelligence Program “funds Intelligence Community (IC) activities in six Federal departments, the Central Intelligence Agency, and the Office of the Director of National Intelligence. The IC provides intelligence collection, the analysis of that intelligence, and the responsive dissemination of intelligence to those who need it—including the President, the heads of Executive Departments, military forces, and law enforcement agencies.” See <http://www.gpo.gov/fdsys/pkg/BUDGET-2013-BUD/pdf/BUDGET-2013-BUD-8.pdf>.

counterintelligence, restoring funding for these functions. Details on this were included in the classified annex accompanying H.Rept. 113-91.

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 would have included \$304 million for the Analysis and Operations account, \$5.5 million (1.8%) below the amount requested.

The Senate committee report required DHS's Chief Intelligence Officer (the Under Secretary for I&A) to submit an FY2014 expenditure plan no later than 60 days after the enactment of DHS appropriations. The committee required the plan to detail areas where the department could provide unique expertise or serve intelligence customers who are not supported by other components of the U.S. Intelligence Community, consistent with current statute and executive orders, and in a way that does not impair intelligence support to the senior DHS leadership. The committee directed that the plan include the following elements:

- fiscal year 2014 expenditures and staffing allotted for each program as compared to fiscal years 2012 and 2013;
- all funded versus on-board positions, including Federal FTE, contractors, and reimbursable and nonreimbursable detailees;
- a plan, including dates or timeframes for achieving key milestones;
- allocation of funding within each PPA for individual programs;
- funding, by object classification, including a comparison to fiscal years 2013 and 2012; and
- the number of I&A-funded employees supporting organizations outside I&A including those within and outside DHS.

In addition, the committee report directed I&A to continue semi-annual briefings on the State and Local Fusion Centers program.⁴⁶

Division F of P.L. 113-76

Division F of P.L. 113-76 (the Homeland Security Appropriations Act, 2014) provided \$301 million in funding for Analysis and Operations. This was approximately \$9 million more than House-passed H.R. 2217, \$3 million less than Senate-reported H.R. 2217, and \$8 million less than the FY2014 request.

Issues for Congress

In the recent past, some Members of Congress have voiced concerns about I&A's mission. In January 2012, Representative Sue Myrick stated that "I&A historically has suffered from a lack of focus in its mission. This challenge partially stems from vague or overlapping authorities in some areas."⁴⁷ Representative Myrick made these comments in an opening statement for a House of Representatives Permanent Select Committee on Intelligence Subcommittee on Terrorism,

⁴⁶ S.Rept. 113-77, p. 23.

⁴⁷ U.S. Congress, House Permanent Select Committee on Intelligence, Subcommittee on Terrorism, Human Intelligence, Analysis and Counterintelligence, *The Role of DHS in the IC: A Report by the Aspen Institute*, 112th Cong., 2nd sess., January 18, 2012, Opening Statement (as prepared) by Rep. Sue Myrick, p. 1, at <http://intelligence.house.gov/sites/intelligence.house.gov/files/documents/011812MyrickOpeningStatement.pdf>.

Human Intelligence, Analysis, and Counterintelligence hearing about DHS's role in the intelligence community.⁴⁸ The hearing centered on a report about DHS's intelligence mission issued by the Aspen Institute.⁴⁹ While not specifically covering I&A, the report suggested that intelligence activities at DHS should avoid duplication of efforts—such as general analysis of terrorist activities—performed by other agencies. Rather, according to the Aspen Institute,

DHS's mandate should allow for collection, dissemination, and analytic work that is focused on more specific homeward-focused areas. First, the intelligence mission could be directed toward areas where DHS has inherent strengths and unique value (e.g., where its personnel and data are centered) that overlap with its legislative mandate. Second, this mission direction should emphasize areas that are not served by other agencies, particularly state/local partners whose needs are not a primary focus for any other federal agency.⁵⁰

The requirement made in the Senate committee's report accompanying Senate-Reported H.R. 2217 that DHS submit an FY2014 expenditure plan may help clarify some of the issues inherent in the above critique.

Office of the Inspector General⁵¹

The DHS Office of the Inspector General (OIG) is intended to be an independent, objective body that conducts audits and investigations of the department's activities to prevent waste, fraud, and abuse; keeps Congress informed about problems within the department's programs and operations; ensures DHS information technology is secure pursuant to the Federal Information Security Management Act; and reviews and makes recommendations regarding existing and proposed legislation and regulations to the department. The OIG reports to Congress and the Secretary of DHS.⁵²

Office of the Inspector General (OIG)

(\$millions discretionary appropriations)

FY2014



FY2014 Request

The Administration requested \$119 million in appropriations for the OIG, plus a transfer of \$24 million from the Disaster Relief Fund (DRF). New funding of \$2.5 million was for executing audits mandated by the Implementing Recommendations of the 9/11 Commission Act of 2007,

⁴⁸ See U.S. Congress, House Permanent Select Committee on Intelligence, Subcommittee on Terrorism, Human Intelligence, Analysis, and Counterintelligence, *The Role of DHS in the IC: A Report by the Aspen Institute*, 112th Cong., 2nd sess., January 18, 2012, at <http://intelligence.house.gov/hearing/subcommittee-terrorism-humint-analysis-and-counterintelligence-role-dhs-ic-report-aspen>.

⁴⁹ Aspen Institute, *Homeland Security and Intelligence: Next Steps in Evolving the Mission*, January 18, 2012, at <http://www.aspeninstitute.org/publications/homeland-security-intelligence-next-steps-evolving-mission>.

⁵⁰ Ibid., p. 3.

⁵¹ Prepared by Barbara L. Schwemle, Analyst in American National Government, Government and Finance Division, and William L. Painter, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

⁵² H.Rept. 112-469, p. 25.

which required audits of DHS-administered preparedness grants to States and territories and high-risk urban areas.⁵³

House-Passed H.R. 2217

The House-passed bill included \$114 million for the DHS OIG, plus a transfer of \$24 million from the DRF as requested for disaster-related audits and investigations. The House committee report stated that this represented the funding required to maintain the current level of services, and noted with concern the lack of a confirmed head of the OIG since early 2011.⁵⁴

Senate-Reported H.R. 2217

The Senate-reported bill included \$117 million for the DHS OIG, plus a transfer of \$24 million from the DRF as requested and included in the House-passed bill. The Senate committee report also stated that this was the level required to provide the current level of services, including completion of audits of the State Homeland Security Program and the Urban Area Security Initiative grant programs by their legislatively mandated deadline.⁵⁵

Division F of P.L. 113-76

Division F of P.L. 113-76 included \$115 million for the DHS OIG, as well as the requested \$24 million transfer from the DRF.

Issues for Congress

OIG Mandates

Both the House bill and report required the OIG to conduct reviews and provide reports, briefings, or determinations to the Appropriations Committees on a variety of matters. The FY2014 budget request for the OIG noted 18 separate reports that were required by statute and four that were required by Executive Order. Four of these predate the establishment of the department.⁵⁶ New requirements for oversight of DHS participation in conferences and special events were not included in the Administration's analysis, due to the timing of its release.

In addition, the House report directed that the OIG

- Provide a detailed expenditure plan for the OIG with its annual budget justification starting in FY2015, as well as an expenditure plan specifically for its work with Immigration and Customs Enforcement and Customs and Border Protection on integrity investigations of their operations;⁵⁷
- Provide a semiannual briefing on fraud and waste at the department;⁵⁸ and

⁵³ P.L. 110-53, Section 101 (6 U.S.C. 612).

⁵⁴ H.Rept. 113-91, p. 24 and p. 15.

⁵⁵ S.Rept. 113-77, p. 24.

⁵⁶ "Status of Congressionally Requested Studies, Report, and Evaluations," *Fiscal Year 2014 One-Time Exhibits, Department of Homeland Security Congressional Justification*, OIG-5 through OIG-10.

⁵⁷ H.Rept. 113-91, p. 24.

⁵⁸ H.Rept. 113-91, p. 24.

- Enhance their “red team” investigations in conjunction with TSA’s Office of Inspection to ensure TSA screeners are properly trained and equipped to address the latest evolution of threats and vulnerabilities.⁵⁹

The Senate report similarly directs that the OIG

- Provide a detailed expenditure plan for the OIG with its annual budget justification starting in FY2015, as well as expenditure plans that cover its entire portfolio, as well as a coordinated plan with ICE and CBP for their integrity oversight funding;⁶⁰ and
- Report with FEMA on improvements in implementing disaster recovery programs and preventing waste, fraud and abuse.⁶¹

Division F of P.L. 113-76 and its accompanying explanatory statement direct the OIG to

- Examine DHS travel costs and “identify excessive expenditures and potential savings”;⁶²
- Review the department’s hiring strategy for CBP and ICE personnel to see if the background investigations are effective in ensuring the integrity of their personnel, and provide input to the department on the matter.⁶³
- Provide the expenditure plan as requested in the House and Senate reports; and
- Brief the committees quarterly on joint OIG/FEMA work to prevent waste, fraud and abuse.⁶⁴

Title II: Security, Enforcement, and Investigations

Title II of the DHS appropriations bill, which includes more than three-quarters of the budget authority provided in the legislation, contains the appropriations for U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the U.S. Coast Guard (USCG), and the U.S. Secret Service (USSS). The Administration requested \$30,283 million for these accounts in FY2014. The House-passed bill would have provided \$30,768 million, an increase of 1.60% from the requested level. The Senate-reported bill would have included \$30,289 million, an increase of less than 0.1% from the requested level. Division F of P.L. 113-76 included \$30,877 million in Title II, 2.1% above the requested level. Both the Senate-reported bill and the enacted annual appropriations act also included an additional \$227 million in funding for overseas contingency operations of Coast Guard, compensated for by an adjustment in the discretionary spending limits outlined through the Balanced Budget and Emergency Deficit Control Act, as amended. **Table 7** lists the enacted amounts for the individual components of Title II for FY2013, the Administration’s request for these components for FY2014, the House-passed and Senate-reported appropriations for the same, and the annual appropriation enacted through Division F of P.L. 113-76.

⁵⁹ H.Rept. 113-91, p. 51.

⁶⁰ S.Rept. 113-77, p. 24.

⁶¹ S.Rept. 113-77, p. 25.

⁶² Explanatory Statement, p. 4.

⁶³ Ibid., p. 6.

⁶⁴ Ibid., p. 15.

Table 7 | Title II: Security, Enforcement, and Investigations, FY2013-FY2014

(millions of dollars of budget authority)

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Customs and Border Protection							
Salaries and Expenses	\$8,282	\$2	\$8,284	\$9,237	\$8,276	\$7,976	\$8,146
Small Airport User Fee ^a	—		—	5	5	5	5
Automation Modernization	719		719	340	700	800	817
Border Security Fencing, Infrastructure, and Technology	324		324	351	361	351	351
Air and Marine Interdictions	798		798	428	803	756	805
Facilities Management	233		233	471	471	471	456
Appropriation	10,356	2	10,358	10,833	10,617	10,360	10,580
Fees, Mandatory Spending, and Trust Funds	1,519		1,519	2,064	2,064	2,064	1,704
Total Budgetary Resources	11,873	2	11,874	12,897	12,680	12,424	12,284
Immigration and Customs Enforcement							
Salaries and Expenses	5,387	1	5,388	4,957	5,344	5,014	5,229
Automation & Infrastructure Modernization	33		33	35	35	35	35
Construction	5		5	5	5	5	5
Appropriation	5,426	1	5,427	4,997	5,384	5,054	5,269
Fees, Mandatory Spending, and Trust Funds	312		312	345	345	345	345
Total Budgetary Resources	5,738	1	5,738	5,342	5,729	5,399	5,614
Transportation Security Administration							
Aviation Security (net funding)	2,976		2,976	2,743	2,755	2,819	2,863

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Surface Transportation Security	124		124	109	124	109	109
Transportation Threat Assessment and Credentialing (net funding)	192		192	181	183	180	176
Transportation Security Support	953		953	998	898	979	962
Federal Air Marshals	907		907	827	821	821	819
Appropriation	5,152		5,152	4,857	4,781	4,907	4,929
Fees, Mandatory Spending, and Trust Funds	2,399		2,399	2,541	2,436	2,436	2,436
Total Budgetary Resources	7,551		7,551	7,398	7,217	7,344	7,365
U.S. Coast Guard							
Operating Expenses	6,812		6,812	6,755	6,839	6,799	6,785
Environmental Compliance & Restoration	13		13	13	13	13	13
Reserve Training	132		132	110	113	122	120
Acquisition, Construction, & Improvements	1,543	274 ^b	1,818	951	1,223	1,230	1,376
Research, Development, Testing, and Evaluation	20		20	20	10	20	19
Health Care Fund Contribution ^a	203		203	201	201	201	201
Discretionary Appropriation	8,723	274	8,997	8,050	8,399	8,385	8,514
Fees, Mandatory Spending, and Trust Funds	1,823		1,823	1,808	1,808	1,808	1,808
Overseas Contingency Operations Adjustment	254		254	0	0	227	227
Total Budgetary Resources	10,800	274	11,075	9,858	10,207	10,421	10,549

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Secret Service							
Salaries and Expenses	1,554	*	1,554	1,495	1,535	1,530	1,533
Acquisition, Construction, and Improvements	57		57	52	52	52	52
Appropriation	1,611	*	1,611	1,546	1,586	1,582	1,585
Fees, Mandatory Spending, and Trust Funds	250		250	255	255	255	255
Total Budgetary Resources	1,861		1,861	1,801	1,841	1,837	1,840
Net Discretionary Budget Authority: Title II^c	31,267	277	31,544	30,283	30,768	30,289	30,877
Total Budgetary Resources for Title II Components before Transfers	37,824	277	38,102	37,191	37,675	37,424	37,651

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, and P.L. 113-76 and its accompanying House explanatory statement.

Notes: Amounts may not sum to totals due to rounding. An * indicates a level of funding below \$500,000, which therefore rounds to zero.

- In FY2014 these funds are considered permanent indefinite discretionary spending—they count against the allocation for the bill, and are ready for use without being actually included in the appropriations legislation.
- Transfer authority was provided in P.L. 113-2 that would allow a portion of these funds to be shifted to the Coast Guard operating expenses account.
- Includes adjustments under the BCA for emergency spending.

Customs and Border Protection⁶⁵

CBP is responsible for security at and between ports of entry (POE) along the border, with a priority mission of preventing the entry of terrorists and instruments of terrorism. CBP officers inspect people (immigration enforcement) and goods (customs enforcement) at POEs to determine if they are authorized to enter the United States. CBP officers and U.S. Border Patrol (USBP) agents enforce more than 400 laws and regulations at the border to prevent illegal entries.

⁶⁵ Prepared by Lisa Seghetti, Section Research Manager, Domestic Social Policy Division.

Customs and Border Protection (CBP)

(\$millions discretionary appropriations)

FY2014



CBP's major programs include *Border Security Inspections and Trade Facilitation*, which encompasses risk-based targeting and the inspection of travelers and goods at POEs; *Border Security and Control between Ports of Entry*, which includes the Border Patrol; *Air and Marine Operations*; *Automation Modernization*, which includes customs and immigration information technology systems; *Border Security Fencing, Infrastructure, and Technology* (BSFIT); and *Construction and Facilities Management*. The agency also manages a number of immigration and customs user *Fee Accounts*. See **Table 7** for account-level detail for all of the agencies in Title II, and **Table 8** for subaccount-level detail for CBP appropriations and funding for FY2013-FY2014.

FY2014 Request

The Administration requested an appropriation of \$10,833 million in net budget authority for CBP for FY2014. The Administration's total request included \$2,064 million in fees, mandatory spending, and trust funds, for a gross budget request of \$12,897 million.

This request included the following program changes from the FY2012 baseline:⁶⁶

- Transfer of most of the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program from the DHS National Protection Programs Directorate (NPPD) into CBP, with a \$253.5 million increase to CBP (also see "Entry-Exit System");
- Increase of \$210.1 million to fund approximately 1,600 additional CBP officers, to include 70 canine teams at Ports of Entry, as well as 245 operational and mission support personnel (also see "Border Enforcement Personnel");
- Increase of \$70.5 million to be divided among the Automated Targeting System (ATS) Operations and Maintenance (\$31.1 million), targeting systems (\$31.6 million), and CBP's National Targeting Center (NTC, \$7.8 million). These programs analyze information about goods and travelers passing into and out of the United States, and check such information against targeting algorithms to prioritize certain flows for secondary inspections;⁶⁷
- Increase of \$10.8 million for 1,500 additional mobile devices, handheld license plate/document readers, and related technology;

⁶⁶ U.S. Department of Homeland Security (DHS), Customs and Border Protection (CBP), *Congressional Budget Justification, FY2014*, pp. 3-7. Only program changes of \$5 million or greater are described in this report; the Budget Justification also includes several smaller program changes.

⁶⁷ For a fuller discussion of CBP's use of the Automated Targeting System with respect to cargo flows, see CRS Report R43014, *U.S. Customs and Border Protection: Trade Facilitation, Enforcement, and Security*, by Vivian C. Jones and Marc R. Rosenblum.

- Increase of \$8 million for the acquisition of 60 automated kiosks at airports and at 8 high-volume pedestrian crossings for participants in CBP's trusted traveler programs;⁶⁸
- Decrease of \$119.2 million as a result of reductions to mission support staffing (\$103.7 million) and early retirement incentives (\$15.5 million) for a number of CBP administrative offices;
- Decrease of \$53.9 million from information technology (IT) infrastructure and systems support;
- Decrease of \$48.4 million as a result of deferring the replacement of certain vehicles in the CBP fleet;
- Decrease of \$47.9 million as a result of reduced Border Patrol overtime hours;
- Decrease of \$30.9 million as a result of reduced acquisitions of Non-Intrusive Inspection (NII) equipment;⁶⁹
- Decrease of \$23.8 million from CBP's Transportation Program (i.e., for the transportation of aliens apprehended near the border) due to a reduction of the transportation workload and through cost savings as a result of a re-competition of the transportation contract;
- Decrease of \$18.9 million as a result of efficiencies in CBP's training and development programs;
- Decrease of \$16.0 million from the CBP officer Foreign Language Awards Program;
- Decrease of \$10 million from programs to combat port running (i.e., persons fleeing enforcement at a port of entry), reducing such programs at low-risk ports;
- Decrease of \$7.9 million as a result of decreased mission support staffing for the US-VISIT program resulting from the proposed consolidation of the program within CBP (see "Entry-Exit System");
- Decrease of \$7 million from background investigations and periodic reinvestigations of CBP agents and officers;
- Decrease of \$6.4 million as a result of centralizing ammunition procurement and distribution for firearms training;
- Decrease of \$6.0 million as a result of reduced procurements for the Western Hemisphere Travel Initiative Land Border Integration program, which is designed to increase the efficiency of flows at land border ports of entry.
- Decrease of \$5.3 million as a result of reducing the number of Tactical Analysis Units, which provide intelligence to front-line CBP officers;

⁶⁸ CBP's trusted traveler programs permit pre-approved, low-risk travelers to be eligible for expedited processing at ports of entry through dedicated lanes and kiosks. See CBP, "Trusted Traveler Programs," Fact sheet, at http://www.cbp.gov/xp/cgov/travel/trusted_traveler/.

⁶⁹ Non-Intrusive Inspection (NII) equipment includes x-ray and gamma ray imaging systems and related technologies. NII scanning produces a high-resolution image of container contents that is reviewed by law enforcement officers to detect hidden cargo and other anomalies that suggest container contents do not match reported manifest data. If an officer detects an abnormality, containers may be "cracked open" for a physical examination. For a fuller discussion, see CRS Report R43014, *U.S. Customs and Border Protection: Trade Facilitation, Enforcement, and Security*, by Vivian C. Jones and Marc R. Rosenblum.

- Decrease of \$5 million as a result of extending the validation cycle for Customs-Trade Partnership against Terrorism (C-TPAT) members from three to four years.⁷⁰

House-Passed H.R. 2217

The House approved \$10,617 million in net budget authority for CBP for FY2014, a decrease of \$216 million (2.0%) from the President's request. Under the House-passed bill, CBP would have received \$12,680 in gross budget authority, a \$216 million (1.7%) decrease from the President's request.

These numbers include an amendment to add \$10 million to the Border Security Fencing, Infrastructure, and Technology (BSFIT) account to support emergency communication in rural areas, with a corresponding reduction to the DHS Office of the Undersecretary of Management.⁷¹ The House also passed an amendment to prohibit the use of funds for CBP preclearance operations at Abu Dhabi International Airport in the United Arab Emirates.⁷²

Senate-Reported H.R. 2217

The Senate Appropriations Committee-reported version of H.R. 2217 included \$10,360 million in net budget authority for CBP for FY2014, a decrease of \$473 million (4.4%) from the President's request. Under the Senate committee-reported bill, CBP would have received \$12,424 million in gross budget authority, a \$472 million (3.7%) decrease from the President's request.

Division F of P.L. 113-76

Division F of P.L. 113-76 (the Homeland Security Appropriations Act, 2014) provided \$12,289 million in gross budget authority for CBP. This was approximately \$608 million less than the FY2014 request, \$391 million less than House-passed H.R. 2217, and \$135 million less than Senate-reported H.R. 2217.

In the FY2013 appropriations act,⁷³ the "Air and Marine Operations—Salaries" subaccount was moved from the Salaries and Expenses account to the Air and Marines Operations account.⁷⁴ Although the Administration's FY2014 appropriations request did not reflect this change, the FY2014 act, similar to the House-passed and Senate-reported bills, kept the account under Air and Marine Operations.

⁷⁰ Customs-Trade Partnership against Terrorism (C-TPAT) is a voluntary program that allows certain trade-related firms to be certified by CBP as having secured the integrity of their supply chains, and thereby to become eligible for certain expedited processing during the import process. For a fuller discussion see CRS Report R43014, *U.S. Customs and Border Protection: Trade Facilitation, Enforcement, and Security*, by Vivian C. Jones and Marc R. Rosenblum.

⁷¹ H.Amdt. 100, which passed by voice vote on June 5, 2013.

⁷² As of May 2013, CBP's pre-clearance program provides for the inspection and clearance of commercial air passengers prior to departure from 15 locations in five foreign countries, including Aruba, the Bahamas, Bermuda, Canada, and Ireland. A preclearance inspection is essentially the same inspection an individual would undergo at a U.S. port of entry, the difference being that it is conducted outside the United States. Travelers inspected and cleared overseas do not have to undergo a second CBP inspection upon arrival in the United States. See CBP, Office of Field Operations, "Preclearance Operations," at http://www.cbp.gov/linkhandler/cgov/toolbox/contacts/preclearance/preclearance_factsheet.ctt/preclearance_factsheet.pdf. In 2013, DHS announced plans to add a new pre-clearance location in Abu Dhabi, United Arab Emirates.

⁷³ P.L. 113-6.

⁷⁴ The account was formerly known as Air and Marine Interdictions, Operations, Maintenance, and Procurement.

The FY2014 budget justification recommended that the US-VISIT entry-exit program be transferred from DHS's National Protection and Program Directorate (NPPD) to CBP and recommended \$254 million in appropriations for the program. The act, similar to the House- and Senate-passed bills, kept the program in NPPD.

Table 8. U.S. Customs and Border Protection Account Detail, FY2013-FY2014

Budget Authority in Millions of Dollars

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Salaries and Expenses	\$8,282	\$2	\$8,284	\$9,237	\$8,276	\$7,976	\$8,146
<i>Headquarters Management and Administration</i>	1,379		1,379	1,621	1,110	1,204	1,199
<i>Border Security Inspections and Trade Facilitation</i>	3,202		3,202	3,320	3,387	3,043	3,216
<i>Border Security and Control Between POE</i>	3,701		3,701	3,756	3,779	3,729	3,731
<i>Air and Marine Operations—Salaries^a</i>	<i>a</i>			287	<i>a</i>	<i>a</i>	<i>a</i>
<i>US-VISIT^b</i>	<i>b</i>			254	<i>b</i>	<i>b</i>	<i>b</i>
Small Airport User Fee ^c	—		—	5	5	5	5
Automation Modernization	719		719	340	700	800	817
BSFIT	324		324	351	361	351	351
Air and Marine Operations	798		798	428	803	756	805
Facilities Management	233		233	471	471	471	456
Total Net Appropriation	10,356	2	10,358	10,833	10,617	10,360	10,580
Estimated Fees, Mandatory Spending and Trust Funds ^d	1,519		1,519	2,064	2,064	2,064	1,703
Total CBP Budget Authority	11,875	2	11,877	12,897	12,680	12,424	12,283

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, and P.L. 113-76 and its explanatory statement.

Notes: Amounts may not sum to totals due to rounding. POE = ports of entry; CBP = U.S. Customs and Border Protection; BSFIT = Border Security Fencing, Infrastructure, and Technology.

- a. P.L. 113-6 moved the Air and Marine Operations—Salaries subaccount from the Salaries and Expenses account to the Air and Marine Operations account—formerly known as Air and Marine Interdictions, Operations, Maintenance, and Procurement—in FY2013. The FY2014 Budget Justification included a request for Air and Marine Operations—Salaries within the Salaries and Expenses account.
- b. The FY2013 Budget Justification requested a transfer of the US-VISIT entry-exit program from the DHS National Protection and Programs Directorate (NPPD) to CBP, but P.L. 113-6 left the entry-exit program within NPPD, renaming it the Office of Biometric Identity Management (OBIM). The FY2014 Budget Justification included a request for US-VISIT funding within the CBP Salaries and Expenses account, but House-passed H.R. 2217 mainly would have funded the entry-exit program through the OBIM, as in P.L. 113-6. House-passed H.R. 2217 would have included \$12.3 million in the Border Security Inspections and Trade Facilitation sub-account for entry-exit data collection.
- c. In FY2014, these funds are considered permanent indefinite discretionary spending—they count against the allocation for the bill, and are ready for use without actually being included in the appropriations legislation.
- d. FY2013 data include a decrease of \$8 million due to an adjustment to the Small Airport User Fee and an increase of \$6 million in the Customs Unclaimed Goods Trust Fund.

Issues for Congress

For the FY2014 budget cycle, issues for Congress included an ongoing discussion on determining the proper mix of human resources and technology at and between ports of entry, including discussions on increasing personnel at the nation's ports of entry and improving ports of entry infrastructure through appropriations through reimbursable agreements. There were also discussions on whether to increase various user fees.

Border Enforcement Personnel

CBP's front-line enforcement personnel include CBP officers at ports of entry, agriculture specialists, U.S. Border Patrol agents, air interdiction agents, and marine interdiction agents. Taken together, these personnel numbers grew from 31,695 in FY2005 to 46,666 in FY2013, an increase of 14,971 (47%). Border Patrol agents accounted for the greatest share of this growth, with an increase of 10,106 agents during this period.⁷⁵

Proportionally among all CBP personnel, the number of CBP officers grew the least during this period, increasing from 17,881 in FY2005 to 21,775 in FY2013, a 22% increase. The Administration thus proposes to hire 3,477 additional CBP officers in FY2014, including 1,600 officers through \$210 million of additional appropriations, and 1,877 officers through revenues generated by proposed user fees increases (see "Customs User Fees"). The House Appropriations Committee report expressed general support for increasing the number of CBP officers, but recommended just half the requested increase for CBP officers and related expenses (i.e., \$105 million) "to allow for a more methodical phase-in of the additional personnel." The committee rejected the Administration's request to designate increased user fees for additional CBP officers on the grounds that such authority is outside the jurisdiction of the Appropriations Committee.⁷⁶ The Senate-reported bill would have provided \$96 million to add 876 new CBP officers, and would have partially supported the Administration's user fee proposal by adding 974 more CBP officers through the use of such fees.⁷⁷

⁷⁵ The number of Border Patrol agents grew from 11,264 in FY2005 to 21,408 in FY2011, before falling back to 21,388 in FY2012 and 21,370 in FY2013.

⁷⁶ H.Rept. 113-91, pp. 30-31.

⁷⁷ S.Rept. 113-77, p. 33.

Division F of P.L. 113-76 included \$256 million to increase CBP officers at ports of entry by no fewer than 2,000 by the end of FY2015 – 1,477 fewer than the Administration’s request, 400 more than what the House recommended and 150 more than what the Senate recommended.

Customs User Fees

CBP collects several different types of user fees, including fees paid by passengers and by cargo carriers and importers for the provision of customs services. These fees are often referred to as COBRA fees because they were passed as part of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA, P.L. 99-272). Under 19 U.S.C. Sections 58c(f)(1)-(3), a portion of these fees directly reimburses CBP for certain customs functions, including overtime compensation and certain benefits and premium pay for CBP officers, certain preclearance services, foreign language proficiency awards, and—to the extent funds remain available—certain officer salaries. Another portion of COBRA fees—merchandise processing fees—is deposited in CBP’s Customs User Fee Account to pay for additional customs revenue functions but is only available to the extent provided for in appropriations acts.

The collection and disposition of certain COBRA user fees have been subjects of some controversy in recent appropriations cycles. In FY2012 and FY2013, CBP’s Budget Justification proposed to use revenue from elimination of a fee exemption enacted through the United States-Colombia Trade Promotion Agreement Implementation Act of 2011 (P.L. 112-42) to fund CBP officer salaries and expenses. The use of these additional revenues was not approved by Congress, requiring additional appropriated funding.⁷⁸

In its FY2014 request, CBP did not propose to use the revenues generated by P.L. 112-42 for officer salaries and expenses. Instead, the FY2014 proposal included new fee increases: a \$2.00 increase to the Immigration User Fee (IUF) and COBRA air and sea passenger user fees, and proportional increases in other COBRA fee categories.⁷⁹ The Administration proposed to use increased fee revenues to pay for CBP officer salaries and expenses, and proposed to tie these user fees to the Consumer Price Index in the future. House-passed H.R. 2217 did not include language to increase these user fees, and H.Rept. 113-91 indicates that the committee did not have jurisdiction to allocate fee increases for officer salaries and expenses. The Senate-reported version of H.R. 2217 included language to increase the IUF and COBRA fees. The committee noted in its report that the services that are performed for which the fees are charged exceeds what CBP collects. S.Rept. 113-77 further noted that “this gap in cost recovery has a significant impact since one-third of the OFO’s [Office of Field Operation’s] budget is dependent on user fees.”⁸⁰

Senate-reported H.R. 2217 would have made the COBRA fee revenue generated by the elimination of the fee exemption in P.L. 112-42 available to CBP.⁸¹ A provision providing CBP access to the approximately \$110 million in COBRA fee revenue generated pursuant to P.L. 112-42 was included as Section 568 of the Homeland Security Appropriations Act, 2014.

The CBP Budget Justification also proposed to conduct a study assessing the feasibility of establishing and collecting a land border crossing fee from pedestrians and vehicles entering the

⁷⁸ See CRS Report R42644, *Department of Homeland Security: FY2013 Appropriations*, coordinated by William L. Painter.

⁷⁹ U.S. Department of Homeland Security (DHS), Customs and Border Protection (CBP), *Congressional Budget Justification, FY2014*, pp. 15-17.

⁸⁰ S.Rept. 113-77, p. 33.

⁸¹ S.Rept. 113-77, p. 147.

United States through land POEs; but Section 561 of House-passed H.R. 2217—an amendment adopted during full committee markup of the bill—would have prohibited the collection of such a fee, along with the use of DHS funds for any study relating to such a fee. Section 567 of the Senate committee-reported version of H.R. 2217 also would have prohibited the collection or study of a land border crossing fee. The Senate-reported provision is mirrored in Section 566 of the Homeland Security Appropriations Act, 2014.

Public-Private Partnerships at POEs

The FY2013 DHS appropriations act (Division D of P.L. 113-6) established a pilot program to permit CBP to enter into up to five public-private partnerships (PPPs) to support customs and immigration services at certain ports of entry. In general, PPPs may provide low-cost alternatives to increase POE personnel and/or to add or improve POE infrastructure. Yet CBP has limited authority to receive reimbursement for POE services (i.e., to establish a user-fee-funded POE) or to collect extra fees as compensation for providing services outside normal business hours.⁸² These restrictions limit CBP's ability to enter into PPPs.

The Administration's FY2014 Budget Justification also included language to permit CBP to enter into up to five PPPs, and the FY2014 justification further proposed to expand CBP's partnership authority by permitting DHS to accept donations of real and personal property (including monetary donations) from private parties and state and local government entities for the purpose of constructing or expanding POE facilities. The House bill did not include the Administration's proposed language with respect to such partnerships and donation authority, however; and the House report indicated that the committee would not allow additional port of entry partnerships until DHS briefed the committee on the results of the initial pilot program.⁸³ The Senate Appropriations Committee report supported the Administration's PPP language,⁸⁴ and Section 566 of the Senate committee-reported version of H.R. 2217 included a modified version of the Administration's proposal to permit CBP to accept property donations to facilitate port construction.

Division F of P.L. 113-76 included a provision that establishes a pilot program that enables CBP to receive reimbursement from outside sources for the costs of certain CBP services. The provision also allows CBP to accept donations. The provision, however, does not permit CBP to enter into reimbursable service agreements outside the United States *and* allows CBP only to enter into such agreements with no more than five air ports of entry for overtime costs only.⁸⁵

Immigration and Customs Enforcement⁸⁶

Immigration and Customs Enforcement (ICE) focuses on enforcement of immigration and customs laws within the United States. ICE develops intelligence to reduce illegal entry into the United States and is responsible for investigating and enforcing violations of the immigration laws (e.g., alien smuggling, hiring unauthorized alien workers). ICE is also responsible for locating and removing aliens who have overstayed their visas, entered illegally, or have become

⁸² 19 U.S.C. §58b restricts CBP's authority to receive reimbursement to cases in which the volume or value of business cleared through the port is too low to justify the availability of customs services and in which the governor of the state where the port is located approves the arrangement; and 19 U.S.C. §1451 restricts CBP's ability to collect extra fees as compensation for providing services outside normal business hours.

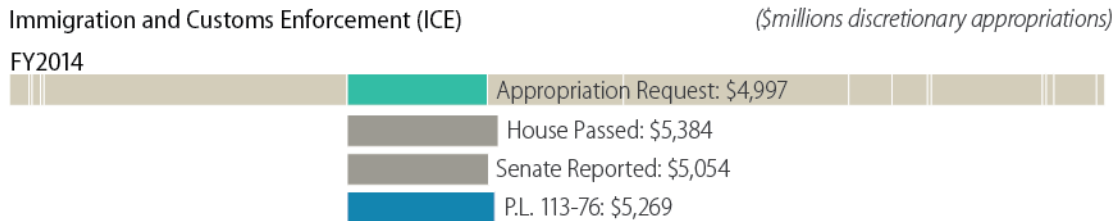
⁸³ H.Rept. 113-91, p. 31.

⁸⁴ S.Rept. 113-77, p. 48.

⁸⁵ Division F, P.L. 113-76, Sec. 562.

⁸⁶ Prepared by Alison Siskin, Specialist in Immigration Policy, Domestic Social Policy Division.

deportable. In addition, ICE develops intelligence to combat terrorist financing and money laundering, and to enforce export laws against smuggling, fraud, forced labor, trade agreement noncompliance, and vehicle and cargo theft.



For ICE sub-account level detail, including appropriations and funding for FY2013 and FY2014, see **Table 9**.

FY2014 Request

For FY2014, the Administration requested \$4,997 million in net budget authority, and \$5,342 million in gross budget authority for ICE. The budget request included the following changes from the FY2012 baseline:

- Increase of \$10 million for the Office of Principal Legal Advisor (OPLA);
- Increase of \$6 million for commercial trade investigations;
- Increase of \$9 million for human trafficking investigations;
- Reduction of \$44 million in the 287(g) program;⁸⁷
- Reduction of \$120 million in detention bed funding (a decrease of 2,200 beds); and
- Reduction of \$10 million in ICE’s international operations.

The President’s request also included an additional reduction of \$482 million to reduce “inefficiencies.” The largest part of the reduction (\$205 million) would have come from reduced staffing for mission support and frontline positions achieved through attrition.

House-Passed H.R. 2217

House-passed H.R. 2217 would have provided \$5,384 million in net budget authority for FY2014, an increase of \$388 million (7.8%) over the Administration’s request. House-passed H.R. 2217 would have provided ICE with total budget authority of \$5,729 million, representing an increase of \$388 million (7.3%) over the Administration’s request.

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 would have provided \$5,054 million in net budget authority for FY2014, an increase of \$58 million (1.1%) over the Administration’s request. Senate-reported

⁸⁷ Under the 287(g) program, state and local law enforcement agencies may enter into agreements with ICE to allow state and local law enforcement officials to receive ICE training and to perform certain immigration enforcement activities under ICE supervision. For more on this program, see CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens*, by Marc R. Rosenblum and William A. Kandel; and CRS Report R41423, *Authority of State and Local Police to Enforce Federal Immigration Law*, by Michael John Garcia and Kate M. Manuel.

H.R. 2217 would have provided ICE with total budget authority of \$5,399 million, representing an increase of \$58 million (1.1%) over the Administration's request.

Division F of P.L. 113-76

Division F of P.L. 113-76 provided \$5,269 million in net budget authority for FY2014, an increase of \$272 million (5%) over the Administration's request. The act provided ICE with total budget authority of \$5,614 million, representing an increase of \$282 million (5%) over the Administration's request.

Table 9. Immigration and Customs Enforcement (ICE) Sub-Account Detail, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House - passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Salaries and Expenses	\$5,387	\$1^a	\$5,388^a	\$4,957	\$5,344	\$5,014	\$5,229
HQ Management & Administration	380			334	361	331	336
Legal Proceedings	207			205	206	203	206
Investigations	1,834			1,733	1,842	1,735	1,804
<i>Investigations—Domestic</i>	<i>1,685</i>			<i>1,600</i>	<i>1,710</i>	<i>1,604</i>	<i>1,672</i>
<i>Investigations—International</i>	<i>115</i>			<i>101</i>	<i>100</i>	<i>100</i>	<i>100</i>
<i>Visa Security Program</i>	<i>35</i>			<i>32</i>	<i>32</i>	<i>32</i>	<i>32</i>
Intelligence	78			75	75	75	74
Detention and Removal Operations	2,750			2,591	2,836	2,650	2,785
<i>Custody Operations</i>	<i>2,022</i>			<i>1,845</i>	<i>2,038</i>	<i>1,879</i>	<i>1,994</i>
<i>Fugitive Operations</i>	<i>145</i>			<i>126</i>	<i>135</i>	<i>125</i>	<i>129</i>
<i>Criminal Alien Program</i>	<i>216</i>			<i>292^b</i>	<i>289</i>	<i>294</i>	<i>294</i>
<i>Alternatives to Detention</i>	<i>96</i>			<i>72</i>	<i>96</i>	<i>96</i>	<i>91</i>
<i>Transportation and Removal Program</i>	<i>270</i>			<i>256</i>	<i>277</i>	<i>256</i>	<i>277</i>

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	House - passed H.R. 2217 Request	Senate- reported H.R. 2217	Div. F, P.L. 113-76	
Comprehensive Identification and Removal of Criminal Aliens (Secure Communities)	138			20 ^b	25	20	25
Automation and Infrastructure Modernization	33		33	35	35	35	35
Construction	5		5	5	5	5	5
ICE Appropriations	5,426	1	5,427	4,997	5,384	5,054	5,269
Fee Accounts	312		312	345	345	345	345
ICE Gross Budget Authority	5,738		5,739	5,342	5,729	5,399	5,614

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77 and P.L. 113-76 and its explanatory statement.

Notes: Amounts may not sum to totals due to rounding. ICE = U.S. Immigration and Customs Enforcement.

- Due to P.L. 113-2 providing its funding at the account level only, CRS cannot provide a final pre-sequester total for subaccounts.
- Due to the completion of the deployment of Secure Communities, the day-to-day management of Secure Communities, and corresponding funds and personnel, are transferred to the Criminal Alien Program (CAP).

Issues for Congress

ICE is responsible for many divergent activities due to the breadth of the civil and criminal violations of law that fall under its jurisdiction. As a result, how ICE resources can be allocated so as best to achieve its mission is a continuously debated issue. The FY2014 appropriations process involved discussions about ICE's role in detaining and removing (deporting) aliens and on the role of state and local law enforcement agencies in immigration enforcement.

Enforcement and Removal Operations

Part of ICE's mission includes locating and removing deportable aliens, which involves determining the appropriate amount of detention space as well as which aliens should be detained. In 2012, an estimated 11.7 million unauthorized aliens were in the United States.⁸⁸ In addition, ICE reported in February 2012, that an estimated 1.9 million aliens (authorized and

⁸⁸ Jeffrey S. Passel, D'Vera Cohn, and Ana Gonzalez-Barrera, *Population Decline of Unauthorized Immigrants Stalls, May Have Reversed*, Pew Research Center's Hispanic Trends Project, Washington, DC, September 23, 2013, <http://www.pewhispanic.org/files/2013/09/Unauthorized-Sept-2013-FINAL.pdf>.

unauthorized) in the United States had been convicted of a crime.⁸⁹ According to ICE, it has the capacity to remove 400,000 aliens a year,⁹⁰ and accordingly, DHS has developed a system to prioritize certain aliens for removal. In 2011 and 2012, ICE published a number of agency guidance memoranda concerning the agency's enforcement priorities and prosecutorial discretion.

In March 2011, John Morton, Director of Immigration and Customs Enforcement, published agency guidelines that define a three-tiered priority scheme that applies to all ICE programs and enforcement activities related to civil immigration enforcement. Under these guidelines, ICE's top three civil immigration enforcement priorities are to (1) apprehend and remove aliens who pose a danger to national security or a risk to public safety, (2) apprehend and remove recent illegal entrants, and (3) apprehend aliens who are fugitives or otherwise obstruct immigration controls.⁹¹ Morton published two memoranda in June 2011 to provide further guidance to ICE officers, agents, and attorneys to target criminal aliens for enforcement, and to consider prosecutorial discretion for certain crime victims.⁹² On August 18, 2011, DHS announced that it would review all removal cases that were awaiting hearings in the immigration courts to identify cases that might be amenable to prosecutorial discretion.⁹³ In December 2012, Morton issued a memorandum providing guidance on the use of detainees⁹⁴—writs authorizing prison officials to continue holding prisoners in custody.⁹⁵

DHS also announced, in June 2012, that the department would exercise prosecutorial discretion by deferring enforcement action in the case of certain individuals who were brought to the United States as children and who meet certain other criteria (known as the DACA program).⁹⁶ As a result, there has been ongoing debate about how ICE should prioritize the removal of removable aliens.⁹⁷

House-passed H.R. 2217 would have prohibited the use of any of the funds provided under the act to finalize, implement, administer or enforce these agency memoranda and policy guidance

⁸⁹ U.S. Department of Homeland Security, *U.S. Immigration and Customs Enforcement Salaries and Expenses Congressional Budget Justifications FY2013*, p. 61.

⁹⁰ John Morton, *Memorandum on Civil Immigration Enforcement: Priorities for the Apprehension, Detention, and Removal of Aliens*, U.S. Immigration and Customs Enforcement, Washington, DC, March 2, 2011.

⁹¹ John Morton, *Memorandum on Civil Immigration Enforcement: Priorities for the Apprehension, Detention, and Removal of Aliens*, U.S. Immigration and Customs Enforcement, Washington, DC, March 2, 2011.

⁹² John Morton, *Exercising Prosecutorial Discretion Consistent with the Civil Immigration Enforcement Priorities of the Agency for the Apprehension, Detention, and Removal of Aliens*, U.S. Department of Homeland Security Immigration and Customs Enforcement, Washington, DC, June 17, 2011, at <http://www.ice.gov/doclib/secure-communities/pdf/prosecutorial-discretion-memo.pdf>; and John Morton, *Prosecutorial Discretion: Certain Victims, Witnesses, and Plaintiffs*, U.S. Department of Homeland Security Immigration and Customs Enforcement, Washington, DC, June 17, 2011, at <http://www.ice.gov/doclib/secure-communities/pdf/domestic-violence.pdf>. For a more detailed discussion of these memoranda, see CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens*, by Marc R. Rosenblum and William A. Kandel.

⁹³ Letter from Janet Napolitano, Secretary of Homeland Security, to Richard Durbin, Senator, August 18, 2011.

⁹⁴ John Morton, *Memorandum on Civil Immigration Enforcement: Guidance on the Use of Detainers in the Federal, State, Local, and Tribal Criminal Justice Systems*, U.S. Immigration and Customs Enforcement, Washington, DC, December 21, 2012, at <https://www.ice.gov/doclib/detention-reform/pdf/detainer-policy.pdf>.

⁹⁵ Clack's Law Dictionary (9th edition, 2009).

⁹⁶ For more on the DACA program, see CRS Report R42958, *Unauthorized Aliens: Policy Options for Providing Targeted Immigration Relief*, by Andorra Bruno.

⁹⁷ For more on the debate surrounding prosecutorial discretion in immigration enforcement, see U.S. Congress, House Committee on Homeland Security, Subcommittee on Border and Maritime Security, *Does Administrative Amnesty Harm our Efforts to Gain and Maintain Operational Control of the Border?*, 112th Cong., 2nd sess., October 4, 2011.

concerning enforcement priorities, including the DACA memorandum. This prohibition was added by H.Amdt. 136, which passed the House by a recorded vote of 224-201 on June 6, 2013.⁹⁸

In addition, House-passed H.R. 2217 would have required that \$1,600 million of the appropriated funds shall be available to identify aliens convicted of a crime who may be removable from the United States and to remove such aliens once ordered removed. House-passed H.R. 2217 would also have required the Secretary of DHS to prioritize the identification and removal of aliens convicted of a crime by the severity of the crime. The Senate-reported bill contained a provision requiring the Secretary of DHS to “ensure enforcement of immigration laws.” Division F of P.L. 113-76 contained the same provisions as House-passed H.R. 2217 regarding criminal aliens, and the Senate bill regarding the enforcement of immigration laws.

ICE’s Office of Enforcement and Removal Operations (ERO) provides custody management of the aliens who are in removal proceedings or who have been ordered removed from the United States.⁹⁹ ERO also is responsible for ensuring that aliens ordered removed actually depart from the United States. Some contend that ERO does not have enough detention space to house all those who should be detained. Concerns have been raised that decisions regarding which aliens to release and when to release them may be based on the amount of detention space, not on the merits of individual cases, and that detention conditions may vary by area of the country, leading to inequities. Some policy makers have advocated for the increased use of alternatives to detention (ATD) programs for noncriminal alien detainees, citing these programs as a lower-cost option than detention and a more proportional treatment relative to the violation.¹⁰⁰

The number of detention beds maintained by ICE has been an issue. ICE maintained 34,000 detention bed spaces in FY2013. In the beginning of calendar year 2013, ICE released 2,228 detainees, maintaining that the release was necessary due to the fact that ICE was operating under a continuing resolution (CR) and the upcoming budgetary reductions required by sequestration. At a hearing on the issue, ICE Director John Morton stated that although the CR had funded 34,000 beds,¹⁰¹ ICE’s average daily detention population exceeded 35,000 individuals, including many who were not required to be detained under law.¹⁰² However, critics responded that the release was purely political and a way to pressure Congress to make a deal with the President to avert the sequestration reductions.¹⁰³ The President’s FY2014 budget requested a reduction in bed space to 31,800 beds. House-passed H.R. 2217 would have maintained 34,000 detention beds for

⁹⁸ Section 588, H.R. 2217(rfs2).

⁹⁹ For more information on detention issues, see CRS Report RL32369, *Immigration-Related Detention*, by Alison Siskin. Under the INA aliens can be removed for reasons of health, criminal status, economic well-being, national security risks, and others that are specifically defined in the act. In 2010, ICE changed the name of DRO to Enforcement and Removal Operations (ERO). The House and Senate Appropriations Committees have not adopted the name change in their reports.

¹⁰⁰ U.S. Congress, House Committee on Homeland Security, Subcommittee on Border, Maritime, and Global Counterterrorism, *Moving Toward More Effective Immigration Detention Management*, 111th Cong., 1st sess., December 10, 2009 (Washington: GPO, 2009).

¹⁰¹ U.S. Congress, House Judiciary Committee, *The Release of Criminal Detainees by U.S. Immigration and Customs Enforcement: Policy or Politics?* 113th Cong., 1st sess., March 19, 2013.

¹⁰² Under statute certain aliens are subject to mandatory detention during their removal process (e.g., criminal aliens, certain arriving aliens). Aliens not subject to mandatory detention may be released on bond or their own recognizance, or may continue to be detained. For more information on mandatory detention, see CRS Report RL32369, *Immigration-Related Detention*, by Alison Siskin.

¹⁰³ Questioning of ICE Director John Morton by Representative Trey Gowdy, U.S. Congress, House Judiciary Committee, *The Release of Criminal Detainees by U.S. Immigration and Customs Enforcement: Policy or Politics?* 113th Cong., 1st sess., March 19, 2013.

FY2014. H.R. 2217, as reported by the Senate Appropriations Committee, would have funded a minimum of 31,800 beds.¹⁰⁴ However, Senate-reported H.R. 2217 would have increased ICE detention bed space funding by \$41 million above the President's request, because it contended that the requested amount was insufficient to support the requested bed space.¹⁰⁵ Division F of P.L. 113-76 specified that ICE shall maintain 34,000 beds through the end of FY2014.

Due to the cost of detaining aliens, and the fact that many non-detained aliens with final orders of removal do not leave the country, there has been interest in developing alternatives to detention for certain types of aliens who do not require a secure detention setting. ICE's Alternatives to Detention (ATD) provides less restrictive alternatives to detention, using such tools as electronic monitoring devices (e.g., ankle bracelets), home visits, work visits, and reporting by telephone, to monitor aliens who are out on bond while awaiting hearings during removal proceedings or the appeals process.⁹¹ The Administration requested \$72 million for the ATD program. Both House-passed and Senate-reported H.R. 2217 would have provided \$96 million for ATD programs, \$24 million above the President's request.¹⁰⁶ In addition, the Senate report stated that ICE has failed to effectively maximize the use of the ATD program for custody management.¹⁰⁷ Division F of P.L. 113-76 provided \$91 million for ATD, directing ICE to brief the appropriations committees on the results of its electronic monitoring pilot, and directing GAO to provide a report evaluating ICE's implementation of the ATD program.¹⁰⁸

Immigration Enforcement in State and Local Jails

Division F of P.L. 113-76 appropriated \$25 million for Secure Communities, an information sharing program between DHS and the Department of Justice to check the fingerprints of arrestees against DHS immigration records. In FY2013, ICE completed the nationwide deployment of Secure Communities, and thus the President's request included a transfer of resources from Secure Communities to the Criminal Alien Program (CAP).¹⁰⁹

The enforcement of immigration laws by state and local law enforcement agents through agreements pursuant to Section 287(g) of the INA (the Section 287(g) program)¹¹⁰ and through screening for immigration violations in state and local jails through the Section 287(g) program and Secure Communities has sparked debate about the proper role of state and local law enforcement officials in this area.¹¹¹ Many have expressed concern over proper training, finite

¹⁰⁴ Senate-reported H.R. 2217 would also have permitted the Secretary to propose reprogramming funds to ensure the detention of aliens prioritized for removal.

¹⁰⁵ Both H.R. 2217, as passed by the House and reported by the Senate, would have given ICE the authority to sell any ICE-owned detention facilities if the facilities no longer met the mission need.

¹⁰⁶ Senate-reported H.R. 2217 also stated that ICE failed to effectively maximize the use of the ATD program.

¹⁰⁷ S.Rept. 113-77, p. 54.

¹⁰⁸ Explanatory Statement, p. 26.

¹⁰⁹ DHS, *U.S. Immigration and Customs Enforcement Salaries and Expenses Congressional Budget Justifications* FY2014, p. 4.

¹¹⁰ Some 287(g) programs ("jail screening" programs) allow local law enforcement officials to conduct migration screening as persons are being booked into prisons or jails. Other 287(g) programs ("task force" programs) allow them to conduct migration screening during the course of their regular police work outside the booking process.

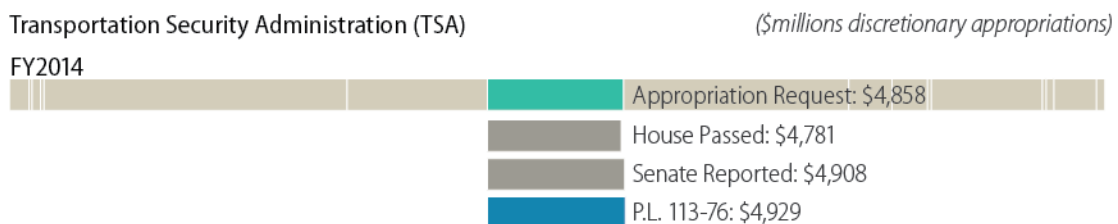
¹¹¹ For a fuller discussion of Secure Communities and the Section 287(g) program see CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens*, by Marc R. Rosenblum and William A. Kandel; and CRS Report R41423, *Authority of State and Local Police to Enforce Federal Immigration Law*, by Michael John Garcia and Kate M. Manuel.

resources at the local level, possible civil rights violations, and the overall impact on communities. Nonetheless, some observers contend that the federal government has scarce resources to enforce immigration law and that state and local law enforcement entities should be used.

The Administration requested a reduction of \$44 million for 287(g) agreements from the FY2012 level of roughly \$68 million.¹¹² The Administration contends that the Secure Communities screening process is more efficient and cost effective than 287(g) agreements in identifying and removing criminal and other priority aliens. ICE plans to discontinue the least productive 287(g) task force agreements.¹¹³ H.Rept. 113-91 indicated that House-passed H.R. 2217 would have maintained FY2013 funding for the 287(g) program.¹¹⁴ S.Rept. 113-77 recommended \$24 million for 287(g) agreements. The explanatory statement for Division F of P.L. 113-76 stated that the appropriated amount “fully funds the current 287(g) program,” and that ICE should consider whether the program can be expanded or improved to more effectively and efficiently enforce immigration laws.

Transportation Security Administration¹¹⁵

The Transportation Security Administration (TSA), created in 2001 by the Aviation and Transportation Security Act (ATSA, P.L. 107-71), is charged with protecting air, land, and rail transportation systems within the United States to ensure the freedom of movement for people and goods. In 2002, TSA was transferred from the Department of Transportation to DHS with the passage of the Homeland Security Act (P.L. 107-296). TSA’s responsibilities include protecting the aviation system against terrorist threats, sabotage, and other acts of violence through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other contraband; and other security technologies. TSA also has certain responsibilities for marine and land modes of transportation, including assessing the risk of terrorist attacks to all non-aviation transportation assets, including seaports; issuing regulations to improve security; and enforcing these regulations to ensure the protection of these transportation systems. TSA is further charged with serving as the primary liaison for transportation security to the law enforcement and intelligence communities.



The TSA budget is one of the most complex components of the DHS appropriations bill. The graphic above reflects net discretionary appropriations for the TSA, but that represents only a portion of the budgetary resources it has available. Airline security fee collections offset a portion of aviation security costs, including \$250 million dedicated to capital investments in screening

¹¹² DHS, *U.S. Immigration and Customs Enforcement Salaries and Expenses Congressional Budget Justifications* FY2014, p. 82.

¹¹³ DHS, *U.S. Immigration and Customs Enforcement Salaries and Expenses Congressional Budget Justifications* FY2014, p. 4.

¹¹⁴ H.Rept. 113-91, p. 40.

¹¹⁵ Prepared by Bart Elias, Specialist in Aviation Policy, Resources, Science, and Industry Division.

technology integration. Other fees offset the costs of transportation threat assessment and credentialing. Since these amounts are not set through traditional appropriations provisions, they are not reflected in the above graphic. **Table 10** presents a breakdown of the total additional budgetary resources from all non-appropriated sources requested for TSA in the President's budget. The amounts shown in this table are derived from the Administration's budget request documents, and therefore do not exactly mirror the data presented in congressional documents, which are the source for the other data presented in the report.

Table 10. TSA, Requested Budgetary Resources, FY2014

(budget authority, in millions of dollars)

Funding Source	Amount
Total Offsetting Fees	\$2,562
Aviation Security Capital Fund ^a	250
Aviation Passenger Security Fee ^b	1,704
Aviation Passenger Security Fee (Revenue from proposed increase) ^b	122
Aviation Security Infrastructure Fees ^b	420
Aviation Flight Student Program Fee (Mandatory)	5
Credentialing Fees (including Alien Flight Student Program)	61
Appropriations	4,836
Total Budgetary Resources	\$7,398

Source: U.S. Department of Homeland Security, Transportation Security Administration, *Budget Overview*, Fiscal Year 2014 Congressional Justification.

Notes:

- a. The Aviation Security Capital Fund derives revenue from the first \$250 million collected from airline passenger security fees each fiscal year. This amount is shown separately from the additional aviation passenger security fee collections in this table.
- b. Counted as part of Offsetting Collections under TSA in the comparative statement of budget authority in the back of the Appropriations Committee reports on the DHS appropriations bill.

FY2014 Request

The FY2014 request specified a gross total of \$7,398 million for TSA. The budget assumed \$2,562 million in offsets, including an additional \$122 million estimated from a proposal to modify the airline passenger security fee structure, and direct appropriations of \$4,836 million. The Congressional Budget Office differed with the Office of Management and Budget on its estimate of the fees to be collected under the Administration's proposal, calculating that \$2,541 million in offsets would be available, requiring \$4,857 million in appropriations to fund TSA's proposed activities. Of the gross amount, \$4,968 million was specified for Aviation Security, \$827 million for the Federal Air Marshal Service, and \$250 million in mandatory appropriations for the Aviation Security Capital Fund (ASCF), which provides security funding to airports primarily for integrating baggage screening systems. Additionally, \$106 million was specified for Secure Flight, the system for checking airline passenger names against terrorist watchlists. Together, these aviation security-related activities made up roughly 83% of the budget request for TSA. Additionally, the budget requested \$165 million for other Transportation Threat Assessment and Credentialing activities besides Secure Flight, \$109 million for Surface Transportation Security, and \$998 million for Transportation Security Support, including \$285 million for Headquarters Administration.

House-Passed H.R. 2217

House-passed H.R. 2217 specified \$7,217 million for TSA, \$181 million below the request. The House committee report specified \$10 million more than requested for the Screening Partnership Program to expand private screening to at least one additional airport seeking this option. A floor amendment further increased Screening Partnership Program funding by \$32 million, using funding taken from aviation security programs unrelated to screening.¹¹⁶ The House-passed bill as amended would have maintained funding for the Federal Flight Deck Officers (FFDO) program at historic levels of roughly \$25 million.¹¹⁷ The report specified \$61 million less than requested for Screener Personnel Compensation and Benefits and \$36 million less than requested for Airport Management, Information Technology, and Support. Additionally, the bill specified \$96 million less than requested for Transportation Security Support, including \$19 million less than requested for Headquarters Administration and \$65 million less than requested for Information Technology, as outlined in the House committee report.

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 specified \$7,344 million for TSA, \$54 million less than requested but \$130 million more than the House-passed amount. Like the House, the Senate recommended roughly \$25 million in funding for the FFDO program. The Senate report specified \$51 million less than requested for Screener Personnel Compensation and Benefits and \$19 million less than requested for Transportation Security Support, including \$9 million less than requested for Headquarters Administration, \$5 million less than requested for Information Technology, and \$5 million less than requested for Human Capital Services.

Division F of P.L. 113-76

P.L. 113-76 specified roughly \$4,983 million for aviation security, \$109 million for surface transportation security, \$176 million for transportation threat assessment and credentialing in addition to an anticipated \$66 million in credentialing activities offset by credentialing fees, and \$819 million for the Federal Air Marshals Service. This, in combination with \$250 million in mandatory appropriations toward the Aviation Security Capital Fund, provided a gross total appropriation of roughly \$7,365 million for TSA, \$33 million less than requested.

Table 11. TSA Gross Budget Authority by Budget Activity, FY2013-FY2014

(gross budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Aviation Security	\$5,046		\$5,046	\$4,968	\$4,875	\$4,939	\$4,983
Screening operations	3,972		3,972	3,900	3,859	3,851	3,894

¹¹⁶ H.Amdt. 111, offered to H.R. 2217 on June 5, 2013, and agreed to by voice vote.

¹¹⁷ H.Amdt. 110, offered to H.R. 2217 on June 5, 2013, and agreed to by voice vote, redirected an additional \$12.5 million in Aviation Security funding to the program.

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Screening Partnership Program (SPP)	147		147	153	195	153	158
Screener Personnel Compensation & Benefits	3,074		3,074	3,034	2,973	2,983	3,034
Screener Training & Other	225		225	227	203	227	227
Checkpoint Support	115		115	103	106	105	103
EDS/ETD Purchase/Installation	100		100	84	84	84	74
Screening Technology Maintenance & Utilities	309		309	299	299	299	299
Aviation Security Direction and Enforcement	1,076		1,076	1,069	1,016	1,089	1,088
Aviation Regulation and Other Enforcement	368		368	355	358	353	354
Airport Management, IT, and Support	562		562	591	555	588	587
FFDO & Flight Crew Training	25		25	0	25	25	25
Air Cargo Security	122		122	123	122	122	122
Floor Amendments					-44		
Federal Air Marshal Service	907		907	827	821	821	819
Management and Administration	793		793	715	709	709	708
Travel and Training	114		114	112	112	112	111
Threat Assessment and Credentialing (TTAC)	272		272	247	249	246	242
Secure Flight	107		107	106	108	106	93
Other Vetting / Screening Administration and Operations	85		85	74	74	74	83
Credentialing Fees	80		80	66	66	66	66
Surface Transportation Security	124		124	109	109	109	109

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Operations and Staffing	36		36	35	35	35	35
Security Inspectors	88		88	74	74	73	73
Transportation Security Support	953		953	998	898	979	962
HQ Administration	276		276	285	266	276	272
Information Technology	417		417	455	390	450	441
Human Capital Services	216		216	213	202	208	204
Intelligence	45		45	45	45	45	45
Floor Amendment					-4		
Aviation Security Capital Fund (ASCF) (mandatory)	250		250	250	250	250	250
TSA Gross Total	\$7,551		\$7,551	\$7,398	\$7,217	\$7,344	\$7,365

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, Division F of P.L. 113-76, and the accompanying joint explanatory statement

Notes: Amounts may not sum to totals due to rounding.

Issues for Congress

Appropriations issues regarding the TSA include the proposed change to the airline passenger security fee structure, screener staffing levels, implementation of management efficiencies, and funding for armed pilots and crew member self-defense training.

Passenger Security Fees

The FY2014 request included a proposal to change the passenger security fee structure. The fee structure when the Administration made its request consisted of a charge of \$2.50 per passenger per flight segment, not to exceed \$5.00 for a one-way flight. The proposal sought to replace this scheme with a flat fee of \$5.00 per passenger per one-way flight in FY2014. The Administration also sought to raise the fee \$0.50 annually in FY2015 through FY2019, raising the fee to \$7.50 incrementally over five years.

The report accompanying the House budget resolution (H.Con.Res. 25) included language appearing generally to support the proposed change to the fee structure as a potential means to offset the costs of aviation security.¹¹⁸ However, the House report accompanying H.R. 2217 noted that the ability to change the statutory fee was outside the jurisdiction of the appropriations

¹¹⁸ H.Rept. 113-17, p. 67.

committees. The report went on to note that the request, based on assumptions of additional revenue from the proposed change in the passenger security fee structure, required the committee to make cuts to management and administrative offices across DHS functions, since the additional revenue assumed in the budget request was predicated on changes to existing law which might or might not occur.¹¹⁹

The Senate Committee on the Budget assumed an increase to aviation security fees consistent with the President's request, but asserted that any security fees levied on transportation passengers should be applied toward TSA transportation security programs (see S.Rept. 113-12). However, the Senate Appropriations committee report on H.R. 2217 (S.Rept. 113-77) did not include the fee increases in its estimates, noting that "[w]hile the reasoning behind the proposed increase has merit and is recommended in both the House and Senate budget resolutions, the Senate Appropriations Committee believes this proposal should be channeled through the appropriate authorizing committees."¹²⁰

Language in the Bipartisan Budget Act of 2013 (P.L. 113-67) restructured the passenger security fee (paid directly by passengers) to a flat fee of \$5.60 per one-way trip effective July 1, 2014. In addition, the act repealed air carrier fees paid directly by the airlines. Until the repeal goes into effect October 1, 2014, TSA has the authority to collect such fees directly from air carriers to offset security costs with an overall limit on fee collections of the aggregate amount paid by airlines in calendar year 2000 for screening passengers and property. Due to its timing, the repeal has no direct effect on the TSA's FY2014 budget.

Screener Staffing

The FY2014 request included a proposal to eliminate exit lane staffing positions, transferring this responsibility to airports, which already have general responsibility for access controls and physical security measures beyond screening checkpoints. The proposal was expected to save TSA \$88 million in FY2014, but it was strongly opposed by airports that would assume this responsibility and the associated costs. The House Appropriations Committee raised procedural questions regarding this proposal. The committee also raised potential security concerns, because TSA exit lane staff at several airports check credentials and clear TSA personnel, law enforcement officers traveling armed, and in some instances, airline crews participating in the Known Crew Member program. House report language directed TSA to work in conjunction with airport operators to assess the impact of the change and consider delaying or phasing in the shift of exit lane staffing responsibility.¹²¹ The Senate committee specified \$2 million to carry out tests to evaluate the use of various technologies to secure exit lanes at reduced cost. Senate report language would have required TSA to certify that security standards remain at or above current levels and affected airports have available a variety of low-cost technology solutions to carry out exit lane monitoring responsibilities before the proposed transfers at affected airports occur.

Language in House-passed H.R. 2217 would have continued the limit on TSA screener staffing of 46,000 full-time equivalents (FTEs), not including newly hired part-time screeners. House report language elaborated on continued committee concerns that improved technologies and recent implementation of risk-based screening strategies, such as the new PreCheck expedited screening lanes for low-risk travelers, have not tempered the growth of screener staffing.¹²²

¹¹⁹ H.Rept. 113-91, p. 19.

¹²⁰ S.Rept. 113-77, p. 58.

¹²¹ H.Rept. 113-91, pp. 54-55.

¹²² H.Rept. 113-91, p. 51.

While the Senate Appropriations Committee did not include a statutory cap on screeners, and directed TSA to recruit and hire screeners so as to prove appropriate levels of aviation security and ensure that average wait times at security checkpoints do not exceed 10 minutes, the amount specified for screener personnel compensation and benefits was \$51 million less than requested. The Senate report indicated that \$28 million of this reflected reduced staffing needs for advanced imaging technology (AIT) following the removal of 250 X-ray backscatter units in FY2013 and the decision to rely exclusively on millimeter wave imaging systems with automatic target recognition (ATR) that eliminates the need for human image viewers.¹²³

The House committee report also included language directing TSA to provide a briefing within 90 days of enactment on the impact of behavior detection officers on aviation security, metrics used to assess this impact, and steps taken to develop a robust risk-based strategy for deploying behavior detection officers. The committee also recommended annual standardized testing at airports where behavior detection methods are being used.¹²⁴ Similarly, the Senate committee report directed TSA to brief the committee on its progress in implementing DHS Office of Inspector General recommendations to improve the effectiveness of the Screening of Passengers by Observation Techniques (SPOT) program.¹²⁵

P.L. 113-76 maintained the cap of 46,000 FTE screeners. While both the House and Senate bills assumed a reduction of 1,487 FTE screeners as a result of shifting responsibility for exit lane screening to airports, language in the Bipartisan Budget Act of 2013 (P.L. 113-67) required that TSA continue to monitor exit lanes at those airports where it provided such monitoring as of December 1, 2013. The joint explanatory statement accompanying P.L. 113-76 indicated that additional funding of \$60 million more than that requested was included in the appropriation for screener staffing in order to staff these exit lanes. Language in the explanatory statement accompanying P.L. 113-76 advised TSA, in coordination with airports, to continue to evaluate cost-effective solutions to secure exit lanes. According to the explanatory statement, the additional funding for exit-lane staffing was partially offset by a reduction of \$28 million for staffing reductions associated with whole-body imaging systems following the transition to machines with automated threat recognition capabilities.¹²⁶

Management Efficiencies

Roughly \$205 million in various efficiency measures was built into the FY2014 request, including \$113 million from Aviation Security,¹²⁷ \$16 million from FAMS,¹²⁸ \$12 million from Surface Transportation Security,¹²⁹ \$11 million from TTAC,¹³⁰ and \$53 million from

¹²³ S.Rept. 113-77.

¹²⁴ H.Rept. 113-91, p. 55.

¹²⁵ See U.S. Department of Homeland Security, Office of Inspector General, *Transportation Security Administration's Screening of Passengers by Observation Techniques*, OIG-13-91, May 2013, cited in S.Rept. 113-77, p. 61.

¹²⁶ Explanatory Statement, p. 29.

¹²⁷ U.S. Department of Homeland Security, Transportation Security Administration, *Aviation Security, Fiscal Year 2014 Congressional Justification*, p. 5.

¹²⁸ U.S. Department of Homeland Security, Transportation Security Administration, *Federal Air Marshal Service, Fiscal Year 2014 Congressional Justification*, p. 4.

¹²⁹ U.S. Department of Homeland Security, Transportation Security Administration, *Surface Transportation Security, Fiscal Year 2014 Congressional Justification*, p. 3.

¹³⁰ U.S. Department of Homeland Security, Transportation Security Administration, *Transportation Threat Assessment and Credentialing, Fiscal Year 2014 Congressional Justification*, p. 4.

Transportation Security Support.¹³¹ Projected efficiencies included reducing mission support personnel, moving to electronic media and away from paper prints of training and briefing materials, replacing non-essential travel with alternatives such as teleconferencing and videoconferencing, and improving logistics management to reduce postal and freight transportation costs. TSA also plans to reduce advisory and assistance contracts and procurement of promotional items.

The inclusion of these efficiencies in the budget request raised a number of issues for Congress, including possible oversight questions as to why these efficiencies could not have been realized sooner. Looking forward into FY2014 and beyond, discussion of efficiencies may focus on TSA's diminishing ability to make marginal cost reductions despite continued pressures to trim budgets. This may be a particular concern for programs such as Airport Management, Information Technology, and Support and Information Technology under Transportation Security Support, where amounts specified in the House bill were set considerably below requested levels. Given that these programs had already budgeted based on projected efficiency gains, identifying additional cost savings might prove difficult without potential impacts on TSA core missions.

The Senate committee report made specific note of concerns over inventory management efforts to address recommendations made by the DHS Office of Inspector General regarding logistics management and warehousing.¹³² Report language directed TSA to periodically update the committee as further improvements are made to inventory management procedures.¹³³

Armed Pilots and Crew Member Self-Defense Training

The FY2014 budget request included a recommendation to eliminate funding for the Federal Flight Deck Officers (FFDO) program, which trains airline pilots to carry firearms on a voluntary basis for the purpose of defending the aircraft cockpit against possible attacks. Funding for crew member self-defense programs would also be eliminated under the proposal. The TSA congressional justification indicated that these activities could be continued if paid for by "airlines desiring this capability on their flights," through reimbursable agreements with the Federal Law Enforcement Training Center (FLETC).¹³⁴

The House Appropriations Committee in its report did not support the proposal to eliminate funding for the FFDO program, noting that "... the presence of armed and trained pilots and flight crew complement[s] other security measures in the aviation security domain and represent[s] a true last-line-of-defense aboard an aircraft."¹³⁵ The committee initially recommended roughly \$12 million for the program, but an agreed-to floor amendment increased FFDO funding in the bill to \$25 million,¹³⁶ consistent with historic funding levels since the program was fully implemented in FY2004. The Senate committee report specified \$25 million for the FFDO and flight crew training programs, noting that "[t]he proposed cut would prevent dedicated flight crews who volunteer for [the FFDO] program from receiving training that could protect commercial flights

¹³¹ U.S. Department of Homeland Security, Transportation Security Administration, *Transportation Security Support, Fiscal Year 2014 Congressional Justification*, p. 2.

¹³² U.S. Department of Homeland Security, Office of Inspector General, *Transportation Security Administration Logistics Center – Inventory Management*, OIG-13-82, April 2013.

¹³³ S.Rept. 113-77.

¹³⁴ U.S. Department of Homeland Security, Transportation Security Administration, *Aviation Security, Fiscal Year 2014 Congressional Justification*, p. 73.

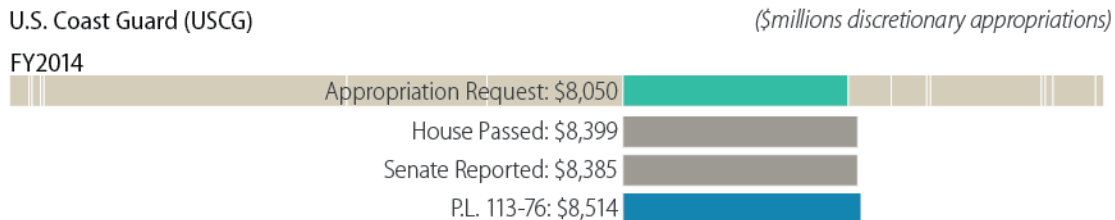
¹³⁵ H.Rept. 113-91.

¹³⁶ H.Amdt. 110, adopted by voice vote on June 5, 2013.

and the passengers on them.”¹³⁷ The joint explanatory statement accompanying P.L. 113-76 specified \$25 million for FFDO and flight crew training.

U.S. Coast Guard¹³⁸

The Coast Guard is the lead federal agency for the maritime component of homeland security. As such, it is the lead agency responsible for the security of U.S. ports, coastal and inland waterways, and territorial waters. The Coast Guard also performs missions that are not related to homeland security, such as maritime search and rescue, marine environmental protection, fisheries enforcement, and maintenance of aids to navigation. The Coast Guard was transferred from the Department of Transportation to DHS on March 1, 2003.



FY2014 Request

The President requested \$8,050 million for the Coast Guard in discretionary spending. This included \$6,755 million for operating expenses and \$951 million for acquisition, construction, and improvements (ACI).

House-Passed H.R. 2217

House-passed H.R. 2217 provided \$8,399 million in discretionary funding for the Coast Guard, including \$84 million more than the President requested for operations and \$272 million more for the ACI account.

Senate-Reported H.R. 2217

The Senate Appropriations Committee recommended \$8,385 million in discretionary funding for the Coast Guard, including \$44 million more than the President requested for operations and \$279 million more for the ACI account.

Division F of P.L. 113-76

P.L. 113-76 provided \$8,501 million in discretionary funding for the Coast Guard, \$451 million more than the President requested, but this included \$227 million for overseas contingency operations (Iraq/Afghanistan) that the President had requested be transferred to the Coast Guard from the Department of Defense budget. The other major differences between the final bill and the President’s request concern aircraft and housing, as identified below.

¹³⁷ S.Rept. 113-77.

¹³⁸ Prepared by John Frittelli, Specialist in Transportation Policy, Resources, Science, and Industry Division.

Table 12. Coast Guard Operating (OE) and Acquisition (ACI) Sub-Account Detail, FY2013-FY2014

(Budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House - passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Operating Expenses^a	\$7,066	—	\$7,066	\$6,755	\$6,839	\$7,026	\$7,012
Military pay and allowances	3,411		3,411	3,425	3,440	3,435	3,417
Civilian pay and benefits	786		786	784	779	779	783
Training and recruiting	214		214	182	217	200	206
Operating funds and unit level maintenance	1,092		1,092	1,062	1,065	1,064	1,035
Centrally managed accounts	351		351	319	319	319	319
Intermediate and depot level maintenance	959		959	984	1,019	989	1,013
St. Elizabeths Support Costs	—		—	^b	—	13	13
Global war on terror	254		254			227	227
Acquisition, Construction, and Improvements	1,545	274^c	1,818	951	1,223	1,230	1,376
Vessels	1,083			743	861	1,004	999
Aircraft	191			28	150	28	175
Other equipment	64			60	75	60	65
Shore facilities and ATON	84			5	5	5	5
Military housing	10			0	18	18	18
Personnel & related support	114			115	115	115	113

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, Division F of P.L. 113-76, and the accompanying joint explanatory statement.

Note: Amounts may not sum to totals due to rounding.

- a. Total in this line in this table includes funding covered by an adjustment under the Budget Control Act for overseas contingency operations / global war on terror, unlike Table 7—the overview table for this title of the legislation.

- b. The Administration requested these resources separately under Title I.
- c. Transfer authority was provided in P.L. 113-2 that would allow a portion of these funds to be shifted to the Coast Guard operating expenses account.

Issues for Congress

*Vessels and Aircraft*¹³⁹

The Coast Guard is in the midst of a multi-year effort to replace many of its aging vessels and aircraft. This modernization effort has been a major issue for Congress.

The President's request for the ACI account of \$951 million represented about a 35% reduction from the \$1,472 million funding level reported in the DHS post-sequestration operating plan.¹⁴⁰ The President requested two fast response cutters; the Coast Guard's previous acquisition plan called for ordering between four and six per year. The House bill would have increased the order to four, and the Senate Appropriations Committee would have increased the order to six. P.L. 113-76 provided funding for six fast response cutters.

The President requested \$616 million for completion of the seventh National Security Cutter but did not request any long lead time materials for the eighth and last National Security Cutter. The House and the Senate Appropriations Committees provided \$77 million for long lead-time materials, as did P.L. 113-76. The Coast Guard was also directed to submit a report on homeporting a National Security Cutter in Alaska as well as an Arctic strategy implementation plan.¹⁴¹

The Coast Guard's estimated cost of a new icebreaker is between \$800 million and \$1 billion. The President requested \$2 million for preliminary planning, which the House and Senate Appropriations Committees agreed with.¹⁴² The Coast Guard is directed to submit an alternatives analysis for acquisition of a heavy icebreaker.¹⁴³

The President requested \$16 million for long-range surveillance aircraft, which the Senate Appropriations Committee agreed with. The House would have provided \$108 million, with the House Appropriations Committee report stating that the Coast Guard had "decimated" funding for recapitalization of this aircraft in its submitted capital investment plan.¹⁴⁴ The final bill did not include funding for the long-range surveillance aircraft, but provided \$129 million for one HC-130J.

Operating Expenses

For the operations account, the President's request would have resulted in a reduction in personnel of 931 positions, which the Coast Guard stated would be achieved through attrition.

¹³⁹ For further information about the Coast Guard's vessel procurement and budget, see CRS Report R42567, *Coast Guard Cutter Procurement: Background and Issues for Congress*, by Ronald O'Rourke.

¹⁴⁰ U.S. Department of Homeland Security, Fiscal Year 2013 Post Sequestration Operating Plan, released April 26, 2013, p. 12.

¹⁴¹ Explanatory Statement, p. 39.

¹⁴² For further information on the Coast Guard's icebreaker fleet and plans for a new icebreaker, see CRS Report RL34391, *Coast Guard Polar Icebreaker Modernization: Background and Issues for Congress*, by Ronald O'Rourke.

¹⁴³ Explanatory Statement, p. 39.

¹⁴⁴ H.Rept. 113-91, p. 74.

This included 850 service members and 81 civilians.¹⁴⁵ Some of the projected reductions were due to the replacement of older vessels with newer vessels that require fewer crew. Other personnel reductions would have been achieved by reducing the number of security inspections of ships considered low risk and security inspections of European ports.

The House-passed bill would have provided \$84 million more than the President requested for operations. This included \$43 million to restore cuts to the Coast Guard's training budget and \$35 million more than the President requested for intermediate and depot-level maintenance (the repair and maintenance of vessels and aircraft). The President had requested the closure of two air stations: Charleston, SC, and Newport, OR. The estimated annual savings from this closure was \$5 million. The House Appropriations Committee denied this request in its report.¹⁴⁶ The Senate committee report was silent on the issue. The explanatory statement accompanying P.L. 113-76 noted that the agreement allowed for the closure of the two air stations. It also noted that an additional \$28 million was provided for training and \$25 million for depot-level maintenance.¹⁴⁷

Maritime Security

The President requested \$1.2 million for Interagency Operations Centers (IOCs), which, along with unobligated balances, included funding to release WatchKeeper to the remaining 15 locations.¹⁴⁸ IOCs are designed to monitor harbor operations, share intelligence, and coordinate responses to security incidents among federal and local law enforcement personnel. WatchKeeper is software that tracks vessel movements in harbors. The IOCs are generally co-located with Vessel Traffic Centers that monitor harbor activity and communicate with vessel operators for safe transits. The President also requested \$13 million for the Nationwide Automatic Identification System—a system for tracking vessels along the coasts. This system has been installed in phases over several years. In FY2014, the Coast Guard planned to complete roll-out of the system to the remaining sectors.¹⁴⁹ The House and the Senate Appropriations Committee concurred with these requests.

U.S. Secret Service¹⁵⁰

The U.S. Secret Service (USSS)¹⁵¹ has two broad missions, criminal investigations and protection. Criminal investigation activities encompass financial crimes, identity theft, counterfeiting, computer fraud, and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure, among other areas. The protection mission is the most prominent, covering the President, Vice President, their families, and candidates for those offices, along with the White House and Vice President's residence, through the Service's Uniformed Division. Protective duties also extend to foreign missions in the District of Columbia and to

¹⁴⁵ Staff of Subcommittee on Coast Guard and Maritime Transportation, House Committee on Transportation and Infrastructure, Summary of Subject Matter memo for hearing on "President's FY2014 Budget Request for Coast Guard and Maritime Transportation Programs," April 12, 2013, at <http://transportation.house.gov/hearing/president%E2%80%99s-fiscal-year-2014-budget-request-coast-guard-and-maritime-transportation-programs>.

¹⁴⁶ H.Rept. 113-91, p. 66.

¹⁴⁷ *Congressional Record – House*, January 15, 2014, p. H932.

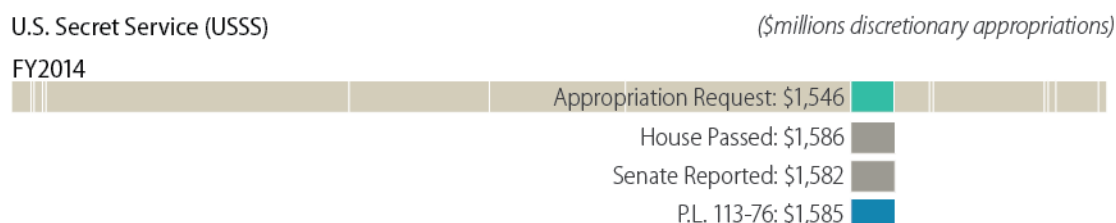
¹⁴⁸ U.S. Department of Homeland Security, *FY2014 Congressional Justifications*, p. CG-AC&I-95.

¹⁴⁹ U.S. Department of Homeland Security, *FY2014 Congressional Justifications*, pp. CG-AC&I-53-56.

¹⁵⁰ Prepared by Shawn Reese, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

¹⁵¹ For more information, see CRS Report RL34603, *The U.S. Secret Service: History and Missions*, by Shawn Reese.

designated individuals, such as the DHS Secretary and visiting foreign dignitaries. Aside from these specific mandated assignments, the USSS is responsible for security activities at National Special Security Events (NSSE),¹⁵² which include the major party quadrennial national conventions as well as international conferences and events held in the United States. The NSSE designation by the President gives the USSS authority to organize and coordinate security arrangements involving various law enforcement units from other federal agencies and state and local governments, as well as from the National Guard.



FY2014 Request

For FY2014, the Administration requested an appropriation of \$1,546 million for the USSS.¹⁵³ The Administration requested approximately \$913 million for its protection mission, \$347 million for its investigation mission, and total of 6,705 FTE to meet its personnel needs.¹⁵⁴

House-Passed H.R. 2217

For FY2014, the House-passed version of the DHS appropriations bill recommended an appropriation of \$1,586 million.¹⁵⁵ This amount would have represented a \$40 million increase above the Administration's FY2014 request.

Some of the increase as compared to the FY2014 request reflected the House's disagreement with the Service's plan to reduce costs associated with USSS agent change of station moves. The House also would have maintained traditional funding for forensic and investigative support related to missing and exploited children.¹⁵⁶

Senate-Reported H.R. 2217

For FY2014, the Senate-reported version of the DHS appropriations bill recommended an appropriation of \$1,582 million, \$5 million below the House-passed level, but \$35 million above the Administration's FY2014 request.¹⁵⁷ The Senate Appropriations Committee rejected proposed personnel cuts and reductions in the budget for permanent change of station costs. Like the House, the Senate committee report recommended traditional funding levels for forensic and

¹⁵² For more information, see archived CRS Report RS22754, *National Special Security Events*, by Shawn Reese.

¹⁵³ U.S. Department of Homeland Security, U.S. Secret Service, *Fiscal Year 2014 Overview: Congressional Justification*, p. 2.

¹⁵⁴ *Ibid.*, p. 3.

¹⁵⁵ H.Rept. 113-91, p. 76.

¹⁵⁶ *Ibid.*, p. 79.

¹⁵⁷ S.Rept. 113-77, pp. 92-95.

investigative support related to missing and exploited children, and rejected the transfer of computer forensic training to FLETC.¹⁵⁸

Division F of P.L. 113-76

For FY2014, Congress appropriated \$1,585 million for the Secret Service, including \$1,533 million for salaries and expenses and \$52 million for acquisitions, construction, and improvements. There was a reduction in the amount provided for the protection mission from FY2013 because there was no longer a need to fund the Service's candidate nominee protection activities.

Table 13. Budget Authority for the U.S. Secret Service, FY2013-FY2014

(amounts in millions of dollars)

	FY2013 Enacted (sequestered)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113- 76
Salaries and Expenses	\$1,554		\$1,554	\$1,495	\$1,535	\$1,530	1,533
Protection	985		985	913	920	918	920
<i>Protection of persons and facilities</i>	854		854	841	848	847	848
<i>Protective intelligence activities</i>	68		68	68	67	67	67
<i>National Special Security Events</i>	4		4	5	5	5	5
<i>Candidate nominee protection</i>	58		58	-	-	-	-
Investigations	339		339	347	370	366	368
<i>Domestic field operations</i>	299		299	259	330	327	329
<i>International field operations</i>	31		31	31	31	31	31
<i>Forensic support to the National Center for Missing and Exploited Children</i>	8		8	-	8	8	8
<i>Electronic Crimes Task Forces</i>	-		-	57	-	-	-
Management and Administration	174		174	177	189	189	189
Information Integration & Technology Transformation	1		1	1	1	1	1

¹⁵⁸ U.S. Congress, Senate Appropriations Committee, *Department of Homeland Security Appropriations Bill, 2014*, report to accompany H.R. 2217, 113th Cong., 1st sess., July 18, 2013, S.Rept. 113-77, pp. 92-95.

	FY2013 Enacted (sequestered)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113- 76
James J. Rowley Training Center	55		55	56	55	55	55
Acquisition, construction, and improvements	57		57	52	52	52	52
Total	1,611		1,611	1,546	1,586	1,582	1,585

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.R. 91, S.Rept. 113-77, Division F of P.L. 113-76, and the accompanying joint explanatory statement.

Note: Amounts may not sum to totals due to rounding.

Issue for Congress

One potential ongoing issue for Congress concerning the USSS is the balancing of the investigative and protective missions of the Service, and how executing both missions affect overall USSS operations.

Protection and Investigation Missions Funding and Activities

USSS's protection mission, as opposed to its investigative mission, employs the majority of the Service's agents and receives a larger share of the agency's resources. Additionally, most of the recent congressional action concerning the USSS has been related to its protection mission and USSS agent misconduct.¹⁵⁹ While Congress has maintained the Service's role in investigating financial crimes, such as combating counterfeiting, congressional action has primarily addressed, and continues to address, the Service's protection mission. Potential terrorist attacks and potential threats to the President have resulted in an increased need for the Service's protection activities. Advocates for expansion of the investigation mission, however, may contend that protection is enhanced through better threat investigation efforts.¹⁶⁰ Both the House and Senate Appropriations Committee identified the requirement to restore personnel funding. Both the House-passed and Senate-reported bills included language that would have allowed the Secret Service more easily to shift funds among the activities that fund personnel costs for the protection and investigation missions to accommodate "unanticipated shifts in funding requirements for protection and investigation activities."¹⁶¹ A similar provision was included under the Salaries and Expenses appropriation for the Secret Service in P.L. 113-76.¹⁶²

¹⁵⁹ For example, see U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *Secret Service on the Line: Restoring Trust and Confidence*, 112th Cong., 2nd sess., May 23, 2012.

¹⁶⁰ Jessica Herrera-Flanigan, "Secret Service—Its Mission, Its Future," Homeland Security Watch, October 20, 2009. <http://www.hlswatch.com/2009/10/20/secret-service-its-mission-its-future/>.

¹⁶¹ U.S. Congress, Senate Appropriations, *Department of Homeland Security Appropriations Bill, 2014*, report to accompany H.R. 2217, 113th Cong., 1st sess., July 18, 2013, S.Rept. 113-77, p. 95.

¹⁶² H.R. 3547 (enr), pp. 254-255.

Title III: Protection, Preparedness, Response, and Recovery

Title III of the DHS appropriations bill contains the appropriations for the National Protection and Programs Directorate (NPPD), the Office of Health Affairs (OHA), and the Federal Emergency Management Agency (FEMA). The Administration requested \$5,383 million for these accounts in FY2014. The House-passed bill would have provided \$5,928 million, an increase of 10.1% above the requested level.¹⁶³ The Senate-reported bill would have provided \$5,955 million, an increase of 10.6% above the requested level. Division F of P.L. 113-76 included \$5,952 million in Title III, 10.6% above the requested level. In addition, all three versions of this title included a requested \$5,626 million for disaster relief that was offset by an adjustment under the Budget Control Act. **Table 14** lists the enacted amounts for the individual components of Title III for FY2013, the Administration's request for these components for FY2014, the House-passed and Senate-reported appropriations for the same, and the annual appropriation enacted through Division F of P.L. 113-76.

Table 14 | Title III: Protection, Preparedness, Response, and Recovery, FY2013-FY2014
(millions of dollars of budget authority)

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
National Protection and Programs Directorate							
Management and Administration	\$50		\$50	\$65	\$51	\$60	\$56
Infrastructure Protection and Information Security	1,156		1,156	1,202	1,177	1,209	1,187
Office of Biometric Identity Management ^a	232		232		232	206	227
Appropriation	1,438		1,438	1,267	1,459	1,474	1,471
Fees, Mandatory Spending, and Trust Funds	1,302		1,302	1,302	1,302	1,302	1,302
Total Budgetary Resources	2,740		2,740	2,569	2,761	2,776	2,772
Office of Health Affairs							
Appropriation	132		132	132	123	128	127

¹⁶³ This includes the impact of Sec. 587, a general provision added through a floor amendment which provided an additional \$10 million for FEMA.

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Fees, Mandatory Spending, and Trust Funds	0		0	0	0	0	0
Total Budgetary Resources	132		132	132	123	128	127
Federal Emergency Management Agency							
Salaries and Expenses	972		972	1,042	922	949	947
Grants and Training	2,488		2,488	2,123	2,540	2,527	2,530
U.S. Fire Administration	44		44	41	44	44	44
Disaster Relief Fund ^b	607	6,109	6,716	595	595	595	595
Total Disaster Relief Funding	[7,007]	[11,488]	[18,495]	[6,221]	[6,221]	[6,221]	[6,221]
Disaster Assistance Direct Loan Account	0	300	300	0	0	0	0
Flood Hazard Mapping and Risk Analysis	95		95	84	95	95	95
Pre-disaster Mitigation Fund	25		25	0	30	25	25
Emergency Food and Shelter	120		120	100	120	120	120
Radiological Emergency Preparedness	-1		-1	-1	-1	-1	-1
Appropriation	4,349	6,409	10,758	3,984	4,345	4,353	4,354
Fees, Mandatory Spending, and Trust Funds	3,551		3,551	3,864	3,864	3,864	3,864
Disaster Relief Adjustment	6,400	5,379	11,779	5,626	5,626	5,626	5,626
Total Budgetary Resources	14,300	11,788	26,088	13,475	13,835	13,844	13,845
Net Budget Authority: Title III	5,920	6,409	12,329	5,383	5,928	5,955	5,952
Total Budgetary Resources for Title III Components before Transfers	17,172	11,788	28,960	16,337	16,720	16,548	16,582

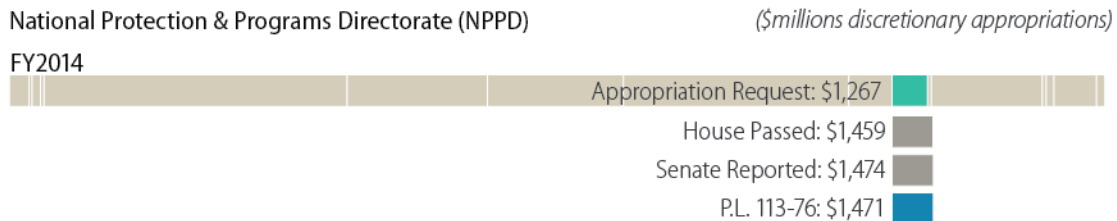
Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Notes: Amounts may not sum to totals due to rounding.

- a. The FY2013 Budget Justification requested a transfer of the US-VISIT entry-exit program from the DHS National Protection and Programs Directorate (NPPD) to CBP, but P.L. 113-6 left the entry-exit program within NPPD, renaming it the Office of Biometric Identity Management (OBIM). The FY2014 Budget Justification included a request for US-VISIT funding within the CBP Salaries and Expenses account, but House-passed H.R. 2217 mainly would have funded the entry-exit program through the OBIM, as in P.L. 113-6.
- b. Funding for the Disaster Relief Fund (DRF) that counts against the discretionary budget caps is shown in this line, with the next line reflecting the total resources made available for the DRF. The total is equal to this line plus the allowable adjustment for disaster relief under the BCA reflected below, which represents resources set aside to pay for FEMA's share of federal costs associated major disasters under the Stafford Act.

National Protection and Programs Directorate¹⁶⁴

The National Protection and Programs Directorate (NPPD) was created by the Secretary of Homeland Security in response to the Post-Katrina Emergency Management Reform Act of 2006. The Directorate includes the Office of the Under Secretary for NPPD and accompanying administrative support functions (budget, communications, etc.), the Office of Infrastructure Protection, the Office of Cybersecurity and Communications, the Federal Protective Services, and the Office of Biometric Identity Management (formerly the US-VISIT program).¹⁶⁵ This section of the report tracks funding for the administrative functions of the Directorate and the programmatic activities of the Office of Infrastructure Protection and the Office of Cybersecurity and Communications.



FY2014 Request

The administrative functions of the Office of the Under Secretary, the Office of the Assistant Secretary for Infrastructure Protection, and the Office of the Assistant Secretary for Cybersecurity and Communications are supported by the Management and Administration Program, for which the Administration requested \$65 million for FY2014. The request included funding for an additional 58 FTEs to provide greater support in the areas of public affairs, budget and finance, human resources, information technology, privacy compliance, etc.

The programmatic activities of the Office of Infrastructure Protection and the Office of Cybersecurity and Communications are supported by the Infrastructure Protection and

¹⁶⁴ Prepared by John D. Moteff, Specialist in Science and Technology Policy, Resources, Science, and Industry division.

¹⁶⁵ See Entry-Exit System discussion below.

Information Security Program (IPIS). The IPIS program can be further broken down into activities related to infrastructure protection, cybersecurity, and communications.

The FY2014 request for IPIS was \$1,202 million. The IPIS request included nine programmatic increases, the largest of which were: \$166 million to support continuous monitoring of agency networks, \$135 million for intrusion prevention, and \$44 million for information sharing. The first is funded through the Federal Network Security PPA. The second two are funded through the Network Security Deployment PPA. The IPIS request also included 11 programmatic decreases. The largest reduction was \$8 million, eliminating incident planning and exercises as a separately funded project. The functions and personnel associated with incident planning and exercises were absorbed into the budgets of other projects. The request also reduced DHS's activities in support of the National Initiative in Cybersecurity Education (NICE) by \$5 million.

House-Passed H.R. 2217

The House-passed bill would have provided \$51 million for Management and Administration, \$14 million below the request, essentially maintaining current operations. The House report acknowledged a need for additional resources for NPPD administrative support, but cited shortfalls in other areas of the Administration's budget request as the reason for not providing NPPD the additional funds.¹⁶⁶

The House-passed bill would have provided \$1,177 million for the IPIS program. The House-passed bill would have funded Infrastructure Protection at \$260 million, less than \$1 million below the request. The bill would have funded Infrastructure Analysis and Planning above requested levels and included additional funds (\$8 million more than requested) for the Office of Bombing Prevention. The bill would have funded Infrastructure Security Compliance \$9 million below the request due to the House's continued concern over implementation of the Chemical Facility Anti-Terrorism Standards and the Ammonium Nitrate Security Program.¹⁶⁷

The House would have provided \$916 million for cybersecurity and communications, \$25 million below the request. Most of the reduction (\$24 million) would have come from the request for Network Security Deployment PPA. The House report cited tight budgets and the availability of unobligated funds from previous appropriations as cause for the reduction.¹⁶⁸

Senate-Reported H.R. 2217

The Senate Appropriations Committee recommended \$60 million for the Management and Administration Program, \$5 million less than requested, but \$9 million more than in House-passed H.R. 2217. The committee noted a decreasing share of the overall Directorate budget allocated to Management and Administration and concern about the ability to effectively manage and oversee the Directorate's programmatic activities. However, the committee also noted the overall constraints on budgets.¹⁶⁹

The Senate Appropriations Committee recommended \$1,209 million for the IPIS Program, \$7 million above what the Administration requested. The committee recommended \$8 million more for Infrastructure Analysis and Planning than was requested (similar to the House action), and \$5

¹⁶⁶ H.Rept. 113-91, p. 81.

¹⁶⁷ H.Rept. 113-91, p. 82.

¹⁶⁸ Ibid.

¹⁶⁹ S.Rept. 113-77, p. 97.

million more than requested for Sector Management and Governance, noting that DHS should do more to coordinate risk analysis and reduction activities across all sector coordinating agencies.¹⁷⁰ The committee also recommended an additional \$2 million above the requested level for the Office of Bombing Prevention. The committee recommended \$86 million for the Infrastructure Security Compliance activity and required a semi-annual report on the progress being made in inspections of chemical facilities.

The committee recommended \$936 million for cybersecurity and communications activities, \$5 million less than what was requested. The bulk of the reductions (\$13 million) would have been made to the Network Security Deployment activity. The committee report noted that program had not been reviewed for a number of years and directed the Government Accountability Office to conduct such a review.¹⁷¹ The committee recommended not quite \$7 million more than what was requested for the Global Cybersecurity Management activity and allocated no less than \$16 million to cybersecurity education.¹⁷² The committee also recommended \$38 million for the Office of Emergency Communications, \$1 million above the requested amount.

Division F of P.L. 113-76

The act provided \$56 million for Management and Administration and \$1,187 million for the IPIS program.¹⁷³

Division F of P.L. 113-76 and the accompanying explanatory statement generally represented a compromise between the House and the Senate Appropriations Committee's recommendations for Infrastructure Protection. The act provided \$5 million less for Infrastructure Security Compliance than what was requested. Also the explanatory statement required NPPD to report on several matters:

- how the NPPD will improve the process for reviewing facilities;
- progress in complying with recommendations made in an Inspector General's report¹⁷⁴ on the management of the CFATS program; and
- progress in implementing the program on a semiannual basis.¹⁷⁵

The explanatory statement also directed the NPPD to conduct a critical review of the Ammonium Nitrate Security Program.¹⁷⁶ The appropriation included increased funding for Infrastructure Analysis and Planning by \$5 million (though not the \$8 million that the House and Senate Appropriations Committee would have provided), with a portion of the increase directed at ensuring NPPD has data readily accessible for rapid analysis.¹⁷⁷ The explanatory statement directed that no less than \$11 million go to the Office of Bombing Prevention and no less than \$16 million go to the National Infrastructure Simulation and Analysis Center.¹⁷⁸

¹⁷⁰ S.Rept. 113-77, p. 100.

¹⁷¹ S.Rept. 113-77, p. 102.

¹⁷² Ibid.

¹⁷³ Explanatory Statement, p. 43.

¹⁷⁴ DHS, Office of the Inspector General, OIG-13-55, *Effectiveness of the Infrastructure Security Compliance Division's Management Practices to Implement the Chemical Facility Anti-Terrorism Standards Program*. March 2013.

¹⁷⁵ Explanatory Statement, p. 44.

¹⁷⁶ Explanatory Statement, p. 44.

¹⁷⁷ Explanatory Statement, p. 45.

¹⁷⁸ Explanatory Statement, p.44.

Similarly, a compromise was made between the House and the Senate Appropriations Committee positions regarding funds for Cybersecurity and Communications. The explanatory statement supported the House's recommendation for Network Security Deployment and the Senate Appropriations Committee's recommendation for Global Security Management, and endorsed the requested amount for the Office of Emergency Communications.

Table 15. Budget Authority for Infrastructure Protection and Information Security, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Infrastructure Protection	\$260		\$260	\$261	\$260	\$273	\$263
<i>Identification, Analysis, and Planning</i>	59		59	58	66	66	63
<i>Sector Management and Governance</i>	67		67	60	60	65	63
<i>Regional Field Operations</i>	56		56	57	57	57	57
<i>Infrastructure Security Compliance</i>	78		78	86	77	86	81
National Cybersecurity Division	756		756	810	786	804	792
<i>Cybersecurity Coordination</i>	4		4	4	4	4	4
<i>US-CERT Operations</i>	93		93	103	102	102	102
<i>Federal Network Security</i>	236		236	200	200	200	200
<i>Network Security Deployment</i>	329		329	406	382	393	382
<i>Global Cybersecurity Management</i>	26		26	19	19	26	26
<i>Critical Infrastructure Cyber Protection and Awareness</i>	63		63	73	73	73	73
<i>Business Operations</i>	6		6	5	5	5	5
Communications	140		140	131 ^a	130	132	131
<i>Office of Emergency Communications</i>	39		39	37 ^a	36	38	37
<i>Priority Telecommunications Services</i>	53		53	53	53	53	53

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total 1	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Next Generation Networks	24		\$24	21	21	21	21
Programs to Study and Enhance Telecommunications	13		13	10	10	10	10
Critical Infrastructure Protection	11		11	9	9	9	9
Total, Infrastructure Protection and Information Security	1,158		1,158	1,202	1,177	1,209	1,187

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.R. 91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Note: Amounts may not sum to totals due to rounding.

- a. The Administration proposed funding the Office of Emergency Communications outside the Communications line in its request—this table reorganizes the request to conform with the congressionally endorsed structures for purposes of comparison.

Issues for Congress

CFATS Compliance

The Chemical Facility Anti-Terrorism Standards program, which is intended to ensure compliance with security regulations for high-risk chemical facilities in the United States, continues to be of congressional concern. In 2011, an internal review of the CFATS program revealed major problems with efforts to approve security plans and inspect facilities. GAO released a study in April 2013 that found the CFATS review process improved, but stated that there were other weaknesses in DHS risk assessment methodologies. GAO estimated that reviews could still take 10 or more years to complete.¹⁷⁹ In addition, the House report criticized the program for “systematic non-compliance with sound Federal Government internal controls,” noting that DHS’s Inspector General found inappropriate use of Administratively Uncontrolled Overtime for inspectors.¹⁸⁰ Other related concerns of interest to Congress include NPPD establishment of a Personnel Surety Program for chemical facilities, and how this program will be implemented and administered.¹⁸¹

¹⁷⁹ U.S. Government Accountability Office, GAO-13-353, *DHS Efforts to Assess Chemical Security Risks and Gather Feedback on Facility Outreach Can Be Strengthened*, p. 24, at <http://www.gao.gov/products/GAO-13-353>.

¹⁸⁰ H.Rept. 113-91, p. 84, referring to OIG-13-55, *Effectiveness of the Infrastructure Security Compliance Division's Management Practices to Implement the Chemical Facility Anti-Terrorism Standards Program*.

¹⁸¹ For more information on CFATS see, CRS Report R42918, *Chemical Facility Security: Issues and Options for the 113th Congress*, by Dana A. Shea.

In regard to funding the CFATS program, the House would have provided \$9 million less than what was requested for Infrastructure Security Compliance, whereas the Senate Appropriations Committee recommended only a slight decrease. The explanatory statement noted CFATS received \$81 million, or \$5 million less than the request. It also modified somewhat the reporting requirements sought by the House and Senate Appropriations Committees.¹⁸²

Cybersecurity

Cybersecurity issues remain a significant interest. Congressional efforts to pass a comprehensive cybersecurity bill—which included an additional federal role to protect the privately owned critical infrastructure networks—were not completed during the 112th Congress. However, there is renewed interest in the 113th Congress in revisiting this issue.¹⁸³ A large part of the federal cybersecurity funding in the IPIS supports improving network security within the federal government; it is unclear what the potential impact of new legislative initiatives will be on the IPIS program going forward.

Regarding funding for the IPIS's cybersecurity and communications activities, the House and the Senate appropriations committees differed slightly. Both recommended less than what was requested for Network Security Deployment. The House would have made a larger reduction, citing the availability of unobligated funds. The Senate Appropriations Committee recommended additional funds for cybersecurity education. The explanatory statement split the differences, in this case, by adopting the House recommendations on Network Security Deployment and the Senate Appropriations Committee recommendation on Global Security Management, which supports, in part, cybersecurity education activities.

Entry-Exit System¹⁸⁴

Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA, P.L. 104-208, Div. C) required development of an automated entry-exit system that collects records of alien arrivals in and departures from the United States and analyzes such records to identify nonimmigrants who overstay their visas. Subsequent legislation has revised and expanded this entry-exit requirement on several occasions, but the system has never been fully implemented.¹⁸⁵

The entry-exit system's place in the DHS organizational structure has changed several times since it was created. The system was designated the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) Program in 2003 and initially was coordinated out of DHS' Directorate of Border and Transportation Security (BTS), the directorate responsible at the time for CBP and ICE. Under the "second stage review" reorganization by former DHS Secretary Chertoff, DHS eliminated BTS and proposed placing US-VISIT within a new Screening Coordination Office (SCO) that would have included several DHS screening programs¹⁸⁶ and reported directly to the

¹⁸² Explanatory Statement, p. 45.

¹⁸³ See CRS Report R42114, *Federal Laws Relating to Cybersecurity: Overview and Discussion of Proposed Revisions*, by Eric A. Fischer.

¹⁸⁴ Prepared by Lisa Seghetti, Section Research Manager, Domestic Social Policy Division.

¹⁸⁵ For a fuller discussion see CRS Report R42985, *Issues in Homeland Security Policy for the 113th Congress*, coordinated by William L. Painter.

¹⁸⁶ Programs proposed for transfer to the Screening Coordination Office included the U.S. Visitor and Immigrant Status Indicator Project (US-VISIT); Free and Secure Trade (FAST) and NEXUS/Secure Electronic Network for Travelers Rapid Inspection (SENTRI), from CBP; and Secure Flight, Transportation Worker Identification Credential (TWIC),

Secretary. Funding for the SCO was never appropriated, however, and US-VISIT became a stand-alone office within Title II of the DHS appropriation in FY2006.¹⁸⁷ In FY2008, DHS transferred US-VISIT into the new National Protection and Programs Directorate (NPPD). The FY2013 budget request proposed to move US-VISIT from NPPD and to divide its work between CBP and ICE; but P.L. 113-6 replaced the US-VISIT Program in its entirety with a new Office of Biometric Identity Management (OBIM), still located within NPPD.

The Administration's FY2014 Budget Request once again proposed to transfer the entry-exit program into CBP and ICE, with CBP's Justification requesting \$254 million for "US-VISIT" to support biometric and biographic data collection at ports of entry and data management, and ICE's justification requesting \$16 million for analysis of such data to detect visa overstays. House-passed H.R. 2217 and the House Appropriations Committee report recommended \$232 million for OBIM, the same amount as provided in FY2013. The House report recommended transferring \$12 million from US-VISIT/OBIM to CBP's Inspections, Trade, and Travel Facilitation sub-account to support data collection at POEs,¹⁸⁸ and realigning \$4 million from US-VISIT/OBIM to ICE to support overstay analysis.¹⁸⁹ The Senate-reported version of H.R. 2217 recommended \$206 million for OBIM. The Senate version also would have transferred \$12 million from US-VISIT/OBIM to CBP, and would have provided \$5 million to ICE for overstay analysis.¹⁹⁰ In contrast with the House, the Senate Appropriations Committee report proposed transferring responsibility for the Arrival Departure Information System (ADIS, DHS's main biographic entry-exit database) from OBIM to CBP.¹⁹¹

Division F of P.L. 113-76 included \$227 million for OBIM. The explanatory statement noted that no less than \$4 million within that appropriation is for database improvements, and endorses the transfer of ADIS to CBP.¹⁹²

Some Members of Congress have expressed frustration that the implementation of the entry-exit system has taken longer than originally anticipated. Pursuant to an amendment adopted on the House floor, Section 586 of H.R. 2217 would have prohibited the use of DHS management funds for official reception and representational expenses until the Secretary fully implemented the biometric entry-exit data system.¹⁹³ The provision was not included in P.L. 113-76.

Federal Protective Service¹⁹⁴

The Federal Protective Service (FPS), within DHS's National Protection and Programs Directorate (NPPD),¹⁹⁵ is responsible for the protection and security of federally owned and

Registered Traveler, Hazardous Materials (HAZMAT) background checks, and the Alien Flight School background checks program, from TSA.

¹⁸⁷ H.Rept. 109-241.

¹⁸⁸ H.Rept. 113-91, p. 28.

¹⁸⁹ *Ibid.*, p. 40.

¹⁹⁰ S.Rept. 113-77, p. 30.

¹⁹¹ *Ibid.*, pp. 30 and 53.

¹⁹² Explanatory Statement, p. 48.

¹⁹³ H.Amdt. 139, adopted by voice vote on June 6, 2013.

¹⁹⁴ Prepared by Shawn Reese, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

¹⁹⁵ FPS was transferred to NPPD from Immigration and Customs Enforcement following the enactment of FY2010 DHS appropriations (P.L. 111-83). 123 Stat. 2157.

leased buildings and property and of federal personnel.¹⁹⁶ In general, FPS operations focus on security and law enforcement activities that reduce vulnerability to criminal and terrorist threats. FPS protection and security operations include all-hazards based risk assessments; emplacement of criminal and terrorist countermeasures, such as vehicle barriers and closed-circuit cameras; law enforcement response; assistance to federal agencies through Facility Security Committees; and emergency and safety education programs. FPS also assists other federal agencies with additional security, such as assisting the U.S. Secret Service at National Special Security Events (NSSE).¹⁹⁷ FPS is the lead Government Facilities Sector Agency for the National Infrastructure Protection Plan.¹⁹⁸ Currently, FPS employs approximately 1,007 law enforcement officers, investigators, and administrative personnel, and administers the services of approximately 13,000 contract security guards.¹⁹⁹

President's FY2014 Request

The President's FY2014 budget request included 1,371 FTEs and \$1,302 million for FPS. This was the same amount that FPS received in FY2013. FPS does not receive a typical appropriation, but instead has a budget wholly offset by security fees charged to GSA building tenants in FPS-protected buildings and facilities. Of the total funding projected in the request, \$272 million in fees would have been collected for basic security operations, \$509 million for building-specific security operations, and \$521 million for Security Work Authorizations.²⁰⁰

House-Passed H.R. 2217

For FY2014, House-passed H.R. 2217 stated that it would fund the Administration's request and provided no additional direction for the service.

Senate-Reported H.R. 2217

For FY2014, Senate-reported H.R. 2217 did not propose specific changes to the FPS budget, and would have provided \$1,302 million for FPS. The Senate report did, however, note that DHS's Interim Strategic Human Capital plan failed "to determine the need for resources based on risk to Federal employees and the officers that protect them," as required by Congress, instead describing how FPS would maintain a workforce of 1,371 FTEs. The Senate committee report directed FPS to provide a plan, and directed GAO to "review the FPS workforce size and its area of responsibility in comparison to similar law enforcement agencies." The report also encouraged FPS to continue its efforts "to link operations, performance, and cost," thus providing enhanced information for the budget process and addressing issues as identified by GAO.²⁰¹

Division F of P.L. 113-76

Congress specifically stated in Division F of P.L. 113-6 that "the revenues and collections of security fees credited to this account shall be available until expended for necessary expenses

¹⁹⁶ 40 U.S.C. 1315.

¹⁹⁷ For information on NSSEs, see CRS Report RS22754, *National Special Security Events*, by Shawn Reese.

¹⁹⁸ Information on the NIPP is at http://www.dhs.gov/xprevprot/programs/editorial_0827.shtm.

¹⁹⁹ U.S. Department of Homeland Security, National Protection and Programs Directorate, *Federal Protective Service: Fiscal Year 2014 Congressional Justification*, Washington, DC, February 2013, p. FPS-3.

²⁰⁰ *Ibid.*, p. 7.

²⁰¹ S.Rept. 113-77, p. 107.

related to the protection of federally owned and leased buildings for the operations of the Federal Protective Service.”²⁰² Congress also required in law that the DHS Secretary and OMB Director certify in writing that FPS operations will be fully funded and that FPS is to maintain not fewer than 1,371 FTEs.²⁰³ Finally, Congress stated in law that the FPS Director will submit a strategic human capital plan aligning fee collections with personnel requirements based on a current threat assessment with the President’s FY2015 budget request.²⁰⁴

Issues for Congress

Congress continues to express concern over certain aspects of the FPS mission and how FPS is funded. Appropriators have expressed an interest in improving training of contract guards, federalizing contract guards, developing standards for checkpoint detection technologies for explosives and other dangerous items at federal facilities, and coordinating DHS efforts with the Interagency Security Committee for building security standards.²⁰⁵ The Federal Protective Service Improvement and Accountability Act of 2013 (H.R. 735), introduced in the 113th Congress, would set staffing levels in the FPS inspector force and create a pilot to expand the use of federal employees in place of contract guards.

Office of Health Affairs²⁰⁶

The Office of Health Affairs (OHA) has operational responsibility for several programs, including the BioWatch program, the National Biosurveillance Integration Center (NBIC), and the department’s occupational health and safety programs.²⁰⁷ OHA also coordinates or consults on DHS programs that have a public health or medical component; these include several of the homeland security grant programs, and medical care provided at ICE detention facilities. OHA received \$132 million in FY2013 appropriations.²⁰⁸



FY2014 Request

The Administration requested \$132 million for OHA for FY2014, roughly the same amount as was provided in the enacted presequester appropriations for FY2013. Due to the reductions in

²⁰² H.R. 3547(enr), p. 255.

²⁰³ Ibid.

²⁰⁴ Ibid., p. 256.

²⁰⁵ For more information about federal building security and role of FPS, see CRS Report R41138, *Federal Building, Courthouse, and Facility Security*, by Lorraine H. Tong and Shawn Reese.

²⁰⁶ Prepared by Sarah A. Lister, Specialist in Public Health and Epidemiology, Domestic Social Policy Division.

²⁰⁷ U.S. Department of Homeland Security, Office of Health Affairs, at http://www.dhs.gov/xabout/structure/editorial_0880.shtm.

²⁰⁸ Application of the crediting mechanism outlined in 2 U.S.C. 903 eliminated the impact of FY2013 sequestration for OHA.

FY2013 appropriations from the funding baseline calculated by OMB, a crediting mechanism in the budget control laws came into play that eliminated the impact of sequestration for OHA.

The proposed allocation among OHA's activities was: \$91 million for the BioWatch program; \$8 million for NBIC; \$1 million for the Chemical Defense Program; \$5 million for Planning and Coordination (under which numerous leadership and coordination activities are implemented); and \$27 million for Salaries and Expenses.²⁰⁹

House-Passed H.R. 2217

House-passed H.R. 2217 would have provided \$123 million for OHA for FY2014, \$8 million (6.4%) less than requested. The proposed allocation among OHA's activities would have been: \$80 million for the BioWatch program (\$11 million or 12.2% less than requested); \$13 million for NBIC (\$5 million or 62.5% more than requested); \$1 million for the Chemical Defense Program (as requested); \$5 million for Planning and Coordination (as requested); and \$25 million for Salaries and Expenses (\$2 million or 8.4% less than requested).²¹⁰ Additional NBIC funding would have been used for new, competitively funded pilot programs to expand biosurveillance capability. The BioWatch funding proposal is discussed further below.

Senate-reported H.R. 2217

Senate-reported H.R. 2217 would have provided \$128 million for OHA for FY2014, \$4 million or 3.1% less than requested. The proposed allocation among OHA's activities would have been: \$88 million for the BioWatch program (\$3 million or 3.3% less than requested); \$8 million for NBIC (as requested); \$1 million for the Chemical Defense Program (as requested); \$5 million for Planning and Coordination (as requested); and \$26 million for Salaries and Expenses (\$1 million or 4.0% less than requested).²¹¹ The Senate-reported BioWatch funding level is discussed further below.

Division F of P.L. 113-76

The Homeland Security Appropriations Act, 2014, provided \$127 million for OHA for FY2014, \$5 million or 3.8% less than requested. The allocation among OHA's activities was \$85 million for the BioWatch program (roughly \$5 million or 5.9% less than requested); \$10 million for NBIC (\$2 million or 25% more than requested); \$1 million for the Chemical Defense Program (as requested); \$5 million for Planning and Coordination (as requested); and \$26 million for Salaries and Expenses (roughly \$2 million or 6.2% less than requested).²¹²

²⁰⁹ OHA, *Fiscal Year 2014 Congressional Justification*, p. 5.

²¹⁰ H.Rept. 113-91, p. 90.

²¹¹ S.Rept. 113-77, p. 107.

²¹² S.Rept. 113-77, p. 107.

Table 16 Office of Health Affairs, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
BioWatch	85		85	91	80	88	85
National Biosurveillance Integration Center	13		13	8	13	8	10
Chemical Defense	2		2	1	1	1	1
Planning and Coordination	5		5	5	5	5	5
Salaries and Expenses	27		27	27	25	26	26
Total OHA budget authority	132		132	132	123	128	127

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement. Application of the crediting mechanism outlined in 2 U.S.C. 903 eliminated the impact of FY2013 sequestration for OHA.

Notes: Amounts may not sum to totals due to rounding. OHA did not receive supplemental funding for FY2013.

Issues for Congress

BioWatch: Effectiveness and Deployment

The BioWatch program deploys sensors in more than 30 large U.S. cities to detect the possible aerosol release of a bioterrorism pathogen, in order that medications could be distributed before exposed individuals became ill. Operation of BioWatch accounts for the lion's share of OHA's budget. The program has sought for several years to deploy more sophisticated sensors (so-called "Generation-3" or "Gen-3" sensors) that could detect airborne pathogens in a few hours, rather than the day or more that is currently required. However, according to GAO, "BioWatch Gen-3 has a history of technical and management challenges."²¹³ Gen-3 development and procurement, and BioWatch operations in general, are the subject of an investigation by the House Committee on Energy and Commerce.²¹⁴

²¹³ U.S. Government Accountability Office, *Biosurveillance: DHS Should Reevaluate Mission Need and Alternatives before Proceeding with BioWatch Generation-3 Acquisition*, GAO-12-810, September 10, 2012, p. 3, at <http://www.gao.gov/products/GAO-12-810>. See also "BioWatch: Detection of Aerosol Release of Biological Agents," in CRS Report R42985, *Issues in Homeland Security Policy for the 113th Congress*, coordinated by William L. Painter.

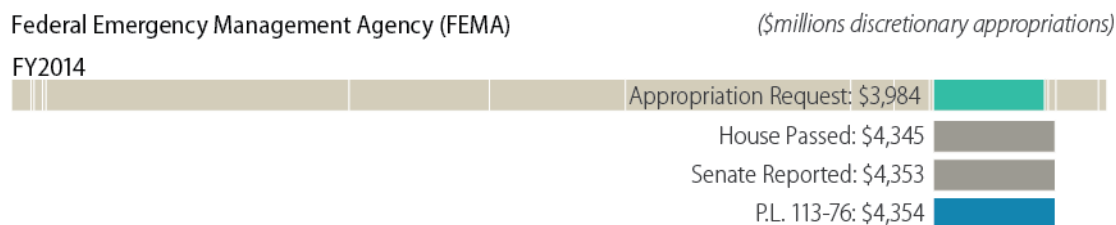
²¹⁴ See for example U.S. Congress, House Energy and Commerce, Oversight and Investigations, *Oversight and Investigations Subcommittee Continues Investigation of BioWatch and Surveillance of Bioterrorism*, hearing, 113th Cong., 1st sess., June 18, 2013, at <http://energycommerce.house.gov/press-release/oversight-and-investigations-subcommittee-continues-investigation-biowatch-and-surveillance-of-bioterrorism>.

The House Committee on Appropriations noted that OHA has paused its Gen-3 procurement activities while conducting an Analysis of Alternatives (AoA).²¹⁵ The committee's funding recommendation for FY2014 would have sustained BioWatch current services only (i.e., Generations 1 and 2). However, the committee commented that earlier unobligated funds would lapse if OHA waited to complete the AoA before it resumed Gen-3 procurement activities. The committee directed OHA instead to "fund either continued development of autonomous biodetection or other similar technology that would further the Nation's biodetection capability with the available unobligated funds."²¹⁶ The Senate Committee on Appropriations also noted the pause in Gen-3 procurement activities, and urged OHA to complete the AoA. In addition, the Senate committee directed that OHA conduct a separate assessment of current BioWatch capability.²¹⁷

In the explanatory statement, the committees directed OHA to brief them not later than January 31, 2014 on the results of the AoA, in lieu of the assessment sought by the Senate Committee on current BioWatch capability.²¹⁸

Federal Emergency Management Agency

The Federal Emergency Management Agency (FEMA) is responsible for leading and supporting the nation's preparedness through a risk-based and comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation. This comprehensive emergency management system is intended to reduce the loss of life and property, and protect the nation from all hazards. These hazards include natural and accidental man-made disasters, and acts of terrorism.²¹⁹



FEMA executes its mission through a number of activities such as providing assistance through its administration of the Disaster Relief Fund (DRF) and the Pre-Disaster Mitigation Fund. Additionally, FEMA provides assistance to state, local, and tribal governments, and nongovernmental entities through its management and administration of programs such as State and Local Programs, the Assistance to Firefighters Grants, and the Emergency Food and Shelter program.

FY2014 Request

The Administration requested a total discretionary appropriation of \$3,984 million in net budget authority for FEMA for FY2014. The Administration also requested an additional \$5,626 million

²¹⁵ H.Rept. 113-91, p. 91.

²¹⁶ Ibid.

²¹⁷ S.Rept. 113-77, pp. 107-108.

²¹⁸ Explanatory Statement, p. 49.

²¹⁹ U.S. Department of Homeland Security, Federal Emergency Management Agency, *About FEMA: FEMA Mission*, Washington, DC, November 2008, at <http://www.fema.gov/about/index.shtm>.

for the DRF, paid for by an adjustment to the discretionary budget cap under a mechanism established by the Budget Control Act. For more detail about the mechanism and impact of this adjustment, see the discussion below and earlier in the report.

House-Passed H.R. 2217

House-passed H.R. 2217 would have provided a total discretionary appropriation of \$4,345 million for FEMA for FY2014, an increase of \$361 million (9.1%) from the President's request. This would have included \$32 million added to FEMA's budget through floor amendments. The House also included the requested additional funding for the DRF, to have been paid for by the allowable adjustment for disaster relief.

Among the amendments adopted on the House floor were the following increases to FEMA appropriations:

- Increase funds for the U.S. Fire Administration account by \$1.8 million;²²⁰
- Increase funds for Firefighter Assistance Grants by \$5 million;²²¹
- Increase funds for the Urban Search and Rescue Response System by \$7.7 million;²²²
- Increase funds for National Predisaster Mitigation Fund by \$7.7 million;²²³ and
- Increase the State Homeland Security Grant Program for disaster assistance by \$10 million.²²⁴

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 would have provided a total discretionary appropriation of \$4,353 million for FEMA for FY2014, an increase of \$369 million (9.3%) from the President's request. Like the House, the Senate included the requested additional funding for the DRF, to have been paid for by the allowable adjustment for disaster relief.

Division F of P.L. 113-76

Division F of P.L. 113-76 included a total discretionary appropriation of \$4,354 million for FEMA for FY2014, an increase of \$368 million (9.2%) from the President's request, and like the House and Senate bills, the division included the additional \$5,626 million for the DRF, to be paid for by the allowable adjustment for disaster relief.

DHS State and Local Preparedness Grants²²⁵

State and local governments have primary responsibility for most domestic public safety functions. When facing difficult fiscal conditions, state and local governments may reduce resources allocated to public safety and, consequently, homeland security preparedness, due to increasing pressure to address tight budgetary constraints and fund competing priorities. Since

²²⁰ H.Amdt. 98, adopted by voice vote on June 5, 2013.

²²¹ H.Amdt. 102, adopted by voice vote on June 5, 2013.

²²² H.Amdt. 103, adopted by voice vote on June 5, 2013.

²²³ H.Amdt. 106, adopted by voice vote on June 5, 2013.

²²⁴ H.Amdt. 134, adopted by a vote of 287-136 on June 6, 2013.

²²⁵ Prepared by Natalie M. Keegan, Analyst in American Federalism and Emergency Management Policy, nkeegan@crs.loc.gov, 7-9569.

state and local governments fund the largest percentage of public safety expenditures, this may have a significant impact on the national preparedness level.

Prior to 9/11, only three federal grant programs were available to state and local governments to address homeland security: the State Domestic Preparedness Program administered by the Department of Justice, the Emergency Management Performance Grant (EMPG) administered by the Federal Emergency Management Agency (FEMA), and the Metropolitan Medical Response System (MMRS) administered by the Department of Health and Human Services. Since that time, several additional homeland security grant programs have been added to ensure state and local preparedness, including the State Homeland Security Grant Program (SHSGP), Citizen Corps Program (CCP), Urban Area Security Initiative (UASI), Driver's License Security Grants Program (REAL ID), Operation Stonegarden grant program (Stonegarden), Regional Catastrophic Preparedness Grant Program (RCPG), Public Transportation Security Assistance and Rail Security Assistance grant program (Transit Security Grants), Port Security Grants (Port Security), Over-the-Road Bus Security Assistance (Over-the-Road), Buffer Zone Protection Program (BZPP), Interoperable Emergency Communications Grant Program (IECGP), and Emergency Operations Center Grant Program (EOC).

While state and local governments receive federal assistance for preparedness activities, this federal assistance accounts for only a small percentage of overall state and local spending for public safety. On average, total expenditures for all state and local governments for public safety are \$218 billion annually.²²⁶ Public safety expenditures include costs associated with the functions of police protection, fire protection, corrections, and protective inspections and regulations.²²⁷ By comparison, the President requested \$2,123 million in federal grants for state and local government homeland security preparedness for FY2014. This amount accounts for a little more than 1% of state and local government public safety expenditures.

As has frequently been the case over the recent history of FEMA's grant and training programs, the Administration proposed changes to the structure of the accounts, making a direct comparison to previous years more challenging. Congress has generally funded Emergency Management Performance Grants (EMPG), Fire Grants, and Staffing for Adequate Fire and Emergency Response (SAFER) Act Grants outside the State and Local Programs function, and allowed a portion of the funds for these programs to cover administrative costs by transferring funds to FEMA's management accounts. The Administration's FY2014 budget proposed \$2,123 million for State and Local Programs, which included funding for two new accounts: National Preparedness Grant program and First Responder Assistance Programs. The National Preparedness Grant program consolidates current state and local preparedness grant programs (excluding the Emergency Management Performance Grants (EMPG) and the Assistance to Firefighters Grant (AFG) Program). The First Responder Assistance Program combines funding for AFG, EMPG, and the Training Partnership Grants (previously funded as Education, Training, and Exercises under State and Local Programs).

Both the House and Senate Appropriations Committees rejected this reorganization in FY2014. The House committee report cited the lack of congressional authorization for the new grant program and the lack of necessary details on how the program would be implemented in denying the Administration's request to consolidate existing preparedness grants into a National Preparedness Grant Program. The Senate Appropriations Committee also recommended denying the Administration's request to restructure the state and local grants based on the Administration's

²²⁶ U.S. Census Bureau, *State and Local Government Finance Summary Report*, April 2011, p. 7.

²²⁷ The definition of state and local public safety expenditures is based on the U.S. Census Bureau's definition of public safety for the annual surveys of state and local government finances.

failure to work with committees of jurisdiction to refine the proposal. Further, the Senate-reported bill included a general provision prohibiting implementation of grant reform until there was congressional action on the Administration's proposal.

The House Appropriations Committee had originally recommended \$1,500 million for State and Local Programs, \$1,210 million of which was to be distributed as grants according to threat, vulnerability, and consequence at the discretion of the DHS Secretary through 14 grant-making activities previously funded by Congress²²⁸ Of the \$1,500 million total, \$55 million was set aside for Operation Stonegarden,²²⁹ and \$235 million was for training, exercise, and technical assistance programs.

During House floor action, amendments were adopted to H.R. 2217 that established a funding level of \$98 million for the Port Security Grant program and \$98 million for the Transit Security grant program. In addition, an amendment was adopted, as noted above, that increased funding for the State Homeland Security Grant Program by \$10 million. As a result, the House-passed bill would have provided a total of \$1,510 million for State and Local Programs, and after taking into account the established funding levels and programmatic set-asides, \$1,070 million would have been left for allocation at the Secretary's discretion among the following grant-making activities according to threat, vulnerability, and consequence at the discretion of the DHS Secretary:

- State Homeland Security Grant Program,
- Operation Stonegarden,
- Urban Area Security Initiative,
- nonprofit organizations as determined by Section 501(c)(3) of the Internal Revenue Code,
- Public Transportation Security Assistance and Railroad Security Assistance,
- Port Security Grants,
- Over-the-Road Bus Security Assistance,
- Metropolitan Medical Response System grants,
- Citizen Corps Program,
- Driver's License Security Grants,
- Interoperable Emergency Communications Grant program,
- Emergency Operations Centers grants,
- Buffer Zone Protection Program grants, and
- Regional Catastrophic Preparedness Grants.

²²⁸ State Homeland Security Grant, Operation Stonegarden, Urban Area Security Initiative, nonprofit organizations as determined by section 501(c)(3) of the Internal Revenue Code, Public Transportation Security and Railroad Security Assistance, Port Security Grants, Over-the-Road Bus Security Assistance, Metropolitan Medical Response System grant, Citizen Corps Program, Driver's License Security Grants, Interoperable Emergency Communications Grant program, Emergency Operations Centers grant, Buffer Zone Protection Program grants, and Regional Catastrophic Preparedness Grants.

²²⁹ H.Rept. 113-91 refers to a recommended funding level of \$50 million for Operation Stonegarden, whereas H.R. 2217 as reported by the House Appropriations Committee contains legislative language setting aside \$55 million. In such cases, the legislative language has primacy.

The Senate-reported bill included \$1.5 billion for State and Local Programs, with less discretion for the Secretary in allocating those funds. Of this amount, \$453 million was for SHSGP (with \$46.6 million carved out of the SHSGP appropriations for Operation Stonegarden), \$614 million for UASI (with \$13 million carved out for non-profit organizations within UASI designated areas), \$101 million for Public Transportation Security and Railroad Security grants (with \$10 million carved out for Amtrak grants), \$101 million for Port Security grants, and \$233.5 million for education, training, exercises and technical assistance.²³⁰

Division F of P.L. 113-76 provided \$1.5 billion for State and Local Programs. Of this amount, \$466 million was provided for the SHSGP (with \$55 million carved out of the SHSGP appropriations for Operation Stonegarden), \$600 million for UASI (with \$13 million carved out for non-profit organizations within UASI designated areas), \$100 million for Public Transportation Security Assistance and Railroad Security Assistance grants (with \$10 million carved out for Amtrak Security grants), \$100 million for Port Security Grants, and \$234 million for education, training, exercises, and technical assistance.²³¹ P.L. 113-76 also included a previous provision that capped the amount of grant funds that can be used by grantees for administration of the grants at 5% of the award amount; and a provision that originated in the Senate-reported bill²³² that authorizes the FEMA Administrator to use funds provided for education, training, and exercises to acquire real property for the purposes of establishing or extending the security buffer zone around FEMA training facilities.

Table 17. State and Local Grant Programs and Training, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House-passed H.R. 2217	Senate-reported H.R. 2217	Div. F, P.L. 113-76
State and Local Programs (grants)	\$189		\$189	\$0	\$1,015 ^a	\$0	\$0
State Homeland Security Grant Program	346		346		10 ^b	453	466
Operation Stonegarden	47		47		55 ^c	47	55
Urban Area Security Initiative	500		500			614	600

²³⁰ H.R. 2217(rs), pp. 134-135, and S.Rept. 113-77, pp. 116-119. The Senate Appropriations Committee recommended that activities previously funded under the Metropolitan Medical Response System, Citizens Corps, Regional Catastrophic Preparedness, Emergency Operations Centers, Driver's Licenses Security Program, Buffer Zone Protection Program, and Interoperable Emergency Communications Grant Program be eligible under the State Homeland Security Grant Program (SHSGP). The committee also recommended that activities funded under these programs, except for the Driver's Licenses Security Program, be eligible activities under the Urban Area Security Initiative (UASI) grant. The committee recommended that the Law Enforcement Terrorism Prevention Program be funded by a set-aside of 25% of the funds provided to SHSGP and UASI.

²³¹ Funding for education, training, and exercises includes \$20.5 million for the Emergency Management Institute, \$64.9 million for the Center for Domestic Preparedness, \$98 million for the National Domestic Preparedness Consortium, \$21 million for the National Exercise Program, and \$29 million for the Continuing Training program.

²³² H.R. 2217, as reported by the Senate.

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Non-Profit Security Grants (included in UASI)	10		10			13	13
Public Transportation Security Assistance, Railroad Security Assistance, Over-the- Road Bus Security Assistance	97		97		98 ^d	101	100
Amtrak Security (included in above security assistance programs)	10		10			10	10
Port Security	97		97		98 ^e	101	100
Education, Training, and Exercises	235		235		235	234	234
Emergency Management Institute	18		18		18	21	21
Center for Domestic Preparedness	65		65		65	65	65
National Domestic Preparedness Consortium	93		93		93	98	98
National Exercise Program	32		32		32	21	21
Continuing Training	27		27		27	29	29
National Preparedness Grant Program (FY2014)				1,043	^f	^f	^f
First Responder Assistance Programs (FY2014)				1,080	^f	^f	^f
Total, State and Local Programs	1,464		1,464	2,123	1,510	1,502	1,500

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Notes: Amounts may not sum to totals due to rounding.

- Several of the grant accounts under State and Local Programs (SLP) were affected by amendments adopted on the floor. This number represents the amount of SLP grant funds that have not been designated for a specific grant program through set-asides in the bill or through the amendment process.
- Designated by H.Amdt. 134, adopted by a vote of 287-136 on June 6, 2013.
- Designated by legislative language on p. 40, lines 12-15, H.R. 2217[rfs2].
- Designated by H.Amdt. 114, adopted by voice vote on June 5, 2013.

- e. Designated by H.Amdt. 113, adopted by voice vote on June 5, 2013.
- f. This proposed reorganization was rejected.

Assistance to Firefighters Grant Program (AFG)²³³

The Administration's FY2014 budget proposed \$670 million for firefighter assistance, including \$335 million for AFG and \$335 million for SAFER. Funding for management and administration would be drawn from a separate FEMA account (Salaries and Expenses). As noted above, under the Administration's proposal, the Firefighter Assistance Grants would be categorized under First Responder Assistance Programs (FRAP), one of three activities under FEMA's State and Local Programs (SLP) appropriation.

The House Appropriations Committee recommended \$675 million for firefighter assistance (\$337.5 million for AFG, \$337.5 million for SAFER). The committee denied the Administration's request to shift AFG and SAFER into the State and Local Programs account, and adopted an amendment during the committee markup that would have continued waivers to various SAFER restrictions and limitations.

During House floor action, an amendment was adopted that would have increased funding for AFG and SAFER in the bill by \$2.5 million each, taking its \$5 million offset from the Office of the Under Secretary for Management. Thus, the House-passed bill recommended \$680 million for the firefighter assistance account (\$340 million for AFG, \$340 million for SAFER), a 1.5% increase over the Administration's request.

The Senate Appropriations Committee recommended \$675 million for firefighter assistance (\$337.5 million for AFG and \$337.5 million for SAFER). Like the House, the Senate Appropriations Committee denied the Administration's request to shift AFG and SAFER into the State and Local Programs account, and included language that would have continued waivers to various SAFER restrictions and limitations.

Division D of P.L. 113-76 funded AFG at \$340 million and SAFER at \$340 million. As was the case in FY2013, administrative costs are to be derived from the FEMA Salaries and Expense account. The act continued to grant DHS waiver authority from SAFER requirements in FY2014.

Disaster Relief Fund²³⁴

The Disaster Relief Fund (DRF) is the main account used to fund a wide variety of programs, grants, and other forms of emergency and disaster assistance to states, local governments, certain nonprofit entities, and families and individuals affected by disasters. The DRF is a no-year account—unused funds from the previous fiscal year are carried over to the next fiscal year.

The Administration's FY2014 budget proposed \$6,221 million for the DRF. The Administration requested funding for the DRF based on what FEMA planned to spend on all past declared catastrophic events, plus the 10-year average for non-catastrophic events, and a \$500 million reserve to prevent shortfalls. This was adjusted downward by \$800 million to account for projected recovery of funds not needed for past disasters. This is the same calculation that was used to develop the initial FY2013 request.

The DRF funding request can be broken out into two categories. First, \$595 million was requested for activities not directly tied to major disasters under the Stafford Act (including

²³³ Prepared by Lennard G. Kruger, Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

²³⁴ Prepared by Bruce R. Lindsay, Analyst in American National Government, Government and Finance Division.

activities such as assistance provided to states for emergencies and fires). This is sometimes referred to as the DRF's "base" funding. The second (and significantly larger) category is for disaster relief costs for major disasters under the Stafford Act, for which the Administration requested \$5,626 million. This structure reflects the impact of the Budget Control Act, which allows these costs incurred by major disasters to be paid through an "allowable adjustment" to the discretionary spending caps, rather than having them count against the discretionary spending allocation for the bill.

Under the terms of the budget request, as in previous years, \$24 million of DRF funds would have been transferred to the DHS Office of the Inspector General for oversight of disaster-related spending.

House-passed and Senate-reported H.R. 2217 would have provided the same funding and structure for DRF funding as requested by the Administration. This funding amount and structure was also retained in Division F of P.L. 113-76.

The DRF and the Budget Control Act (BCA)

In general, the DRF is funded yearly through regular appropriations; however, if the DRF had to rely solely upon the annual DHS appropriations bill, the DRF would have been depleted most years due to the accumulated demand for its resources. For example, between 2005 and 2011, the average regular appropriation for the DRF was \$1,749 million. Yet, the average monthly expenditures for the DRF were \$383 million (which would extrapolate to \$4,596 million annually). This is due in part to ongoing recovery efforts from past high-cost disaster events such as the Gulf Coast hurricanes of 2005 as well as more recent disasters.

To keep the DRF from being depleted, Congress provided additional budget authority for the DRF through a combination of supplemental and continuing appropriations nine times from FY2005 to FY2010. This reliance on emergency supplemental appropriations has been of particular congressional concern.

The Budget Control Act (BCA) included a series of provisions that directed the Office of Management and Budget (OMB) to calculate annually an "allowable adjustment" for disaster relief to the BCA's discretionary spending caps. That adjustment, if used, would make additional budget authority available for the federal costs incurred by major disasters declared under the Stafford Act beyond what is allowed in the regular discretionary budget allocation. Without an adjustment to the discretionary budget caps, federal spending over the allocation could trigger a sequestration.

It is useful to note that "disaster relief" funding under the BCA and the Disaster Relief Fund are not the same. The BCA defines funding for "disaster relief" as funding for activities carried out pursuant to a major disaster declaration under the Stafford Act. This funding comes not only from FEMA, but also from accounts across the federal government. While a portion of funding for the DRF is eligible for the allowable adjustment under the BCA, the DRF is not wholly "disaster relief" by the BCA definition.

The allowable adjustment calculated by OMB may have encouraged higher appropriations to the DRF since the BCA was enacted. The FY2013 request for the DRF—the first such request made with the BCA in place—was more than three times the size of the initial budget request for FY2012.

When Hurricane Sandy struck the northeastern United States in October 2012, the DRF contained roughly \$7 billion that could be used to meet the immediate demands of the hurricane. In previous years, when a large-scale disaster occurred, the DRF balance was generally low due to

smaller regular appropriations to the account. As a result, there may have been more pressure in previous years to pass a supplemental appropriation quickly to meet the needs of the disaster. Higher appropriations for the DRF through regular appropriations may therefore provide Congress with more time to debate disaster needs and target disaster assistance needs more efficiently when large-scale disasters occur.

Pre-Disaster Mitigation (PDM) Program²³⁵

The Administration's proposal for the PDM program again suggested its eventual elimination.²³⁶ No additional funds were requested and it was suggested that the program duplicated the work of the Hazard Mitigation Grant Program (HMGP), which is Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act and other mitigation programs funded by the National Flood Insurance Program.²³⁷ While the HMGP program and the PDM program fund similar projects, PDM is distinguished from HMGP by uniquely making such awards prior to disaster events.²³⁸ In addition, while programs under National Flood Insurance Program (NFIP) address similar projects, they apply only to flood hazards. PDM and HMGP on the other hand, apply to all types of hazards.

The Administration noted that the PDM program had more than \$174 million in unobligated balances that would permit the program to continue awarding grants for several years as it was phased out. Neither the House-passed bill nor the Senate-reported bill included legislative language ending the program. Instead, the House PDM line was increased through the Tipton/Polis amendment by \$7.6 million to just over \$30 million, whereas \$25 million was included in the Senate bill.²³⁹ The Senate report for FY2014 noted the importance of the program as the only source of funding for many states for both mitigation planning and projects.²⁴⁰ While the House measure would have increased funding for FY2014, the enacted level in P.L. 113-76 was at the same \$25 million amount as in recent years.

According to the DHS post-sequester operating plan, the post-sequestration amount available for PDM in FY 2013 was just under \$25 million.²⁴¹ Funding at this level presents challenges to the administration of the program. For example, state minimum awards become difficult to fund. Also, the reduced award amounts make a full, new round of applications for competitive awards (and assembling peer review panels to judge those applications) impractical. Given these circumstances, FEMA may work from existing, unfunded applications to continue the program funding cycle.

²³⁵ This section prepared by Francis X. McCarthy, Analyst, Emergency Management Policy, Government and Finance Division.

²³⁶ FY2013 Budget Justification, Department of Homeland Security, Federal Emergency Management Agency, National Pre-Disaster Mitigation Fund, IV Program Justification Changes, p. 6.

²³⁷ For information regarding flood mitigation programs, see CRS Report R40650, *National Flood Insurance Program: Background, Challenges, and Financial Status*, by Rawle O. King.

²³⁸ For a discussion of these programs see CRS Report R40471, *FEMA's Hazard Mitigation Grant Program: Overview and Issues*, by Natalie Keegan, and CRS Report RL34537, *FEMA's Pre-Disaster Mitigation Program: Overview and Issues*, by Francis X. McCarthy and Natalie Keegan.

²³⁹ H. Amendment 106 was sponsored by Colorado Representatives Scott Tipton and Jared Polis.

²⁴⁰ S.Rept. 113-77, Department of Homeland Security FY2014, July 18, 2013, p.126.

²⁴¹ U.S. Department of Homeland Security, Fiscal Year 2013 post-Sequestration Operating Plan, April 26, 2013, p. 18. This amount could go up or down based on anticipated reprogramming or transfer of resources within the department.

Emergency Food and Shelter (EFS) Program²⁴²

For the last few years the Administration has proposed reducing funding for the EFS program, and the FY 2014 request again suggested an amount of \$100 million, well below previous levels.²⁴³ The program has historically received increased funding during times of high unemployment.²⁴⁴ In FY2012, Congress funded the program at \$120 million, \$20 million over the requested level. Both the House-passed and Senate-reported FY2014 legislation would have funded EFS at \$120 million. The final enacted amount for FY2014 was also \$120 million.

According to the DHS post-sequester operating plan, the post-sequester funding level for FY2013 for the EFS program was just under \$114 million.²⁴⁵ This represented the lowest funding total for the program since FY2000. In addition to reduced funding, there were also some concerns over the program's delayed distribution of funds during FY2012. FEMA and the National Board took nine months to begin distributing the EFS assistance, nearly double the amount of time directed in its authorizing legislation, the McKinney-Vento Homeless Assistance Act.²⁴⁶ Similarly, funding announcements for the FY2013 awards were not made until the beginning of FY2014.²⁴⁷

Title IV: Research and Development, Training, and Services

Title IV of the DHS appropriations bill contains the appropriations for U.S. Citizenship and Immigration Services (USCIS), the Federal Law Enforcement Training Center (FLETC), the Science and Technology Directorate (S&T), and the Domestic Nuclear Detection Office. The Administration requested \$2,214 million for these accounts in FY2014. The House-passed bill would have provided \$1,890 million, a decrease of 14.7% below the requested level. The Senate-reported bill would have provided \$1,885 million, a decrease of 15.0% below the requested level. Division F of P.L. 113-76 included \$1,878 million in Title IV, 15.2% below the requested level. **Table 18** lists the enacted amounts for the individual components of Title IV for FY2013, the Administration's request for these components for FY2014, the House-passed and Senate-reported appropriations for the same, and the annual appropriation enacted through Division F of P.L. 113-76.

²⁴² This section was prepared by Francis X. McCarthy, Analyst, Emergency Management Policy, Government and Finance Division.

²⁴³ FY 2014 Budget Justification, U.S. Department of Homeland Security, Federal Emergency Management Agency, Emergency Food and Shelter, III, Current Services Program Discussion by PPA, p. 3.

²⁴⁴ For additional information on the EFS program, see CRS Report RL30442, *Homelessness: Targeted Federal Programs and Recent Legislation*, coordinated by Libby Perl.

²⁴⁵ U.S. Department of Homeland Security, Fiscal Year 2013 post-Sequestration Operating Plan, April 26, 2013, p. 18. This amount could go up or down based on anticipated reprogramming or transfers of resources within the department.

²⁴⁶ For additional information on the EFS program, see CRS Report R42766, *The Emergency Food and Shelter National Board Program and Homeless Assistance*, by Francis X. McCarthy.

²⁴⁷ "Proposals being accepted for Federal funding awarded to Atlantic County emergency food and shelter programs," *The Press of Atlantic City*, October 22, 2013, at <http://www.pressofatlanticcity.com/news/breaking/proposals-being-accepted-for-federal>.

Table 18 | Title IV: Research and Development, Training, and Services, FY2013-FY2014
(millions of dollars of budget authority)

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113- 76
Citizenship and Immigration Services							
Appropriation	\$112		\$112	\$124	\$114	\$119	\$114
Fees, Mandatory Spending, and Trust Funds	2,882		2,882	3,095	3,095	3,100	3,103
Total Budgetary Resources	2,994		2,994	3,219	3,209	3,219	3,217
Federal Law Enforcement Training Center							
Salaries and Expenses	228		228	241	228	228	228
Acquisition, Construction, Improvements, and Related Expenses	28		27	31	31	31	31
Appropriation	257		256	271	259	259	259
Fees, Mandatory Spending, and Trust Funds	0		0	0	0	0	0
Total Budgetary Resources	257		257	271	259	259	259
Science and Technology							
Management and Administration	132		132	130	129	129	129
Research, Development, Acquisition, and Operations	703	3	706	1,397	1,096	1,089	1,091
Appropriation	834	3	838	1,527	1,225	1,218	1,220
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0	0	0
Total Budgetary Resources	834	3	838	1,527	1,225	1,218	1,220
Domestic Nuclear Detection Office							
Management and Administration	40		40	38	37	37	37

	FY2013 Enacted (pre-sequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113- 76
Research, Development, and Operations	227		227	211	211	209	205
Systems Acquisition	51	4	55	43	43	43	43
Appropriation	318	4	321	291	291	289	285
Fees, Mandatory Spending, and Trust Funds	0	0	0	0	0	0	0
Total Budgetary Resources	318	4	321	291	291	289	285
Net Budget Authority: Title IV	1,520	7	1,527	2,214	1,890	1,885	1,878
Total Budgetary Resources for Title IV Components before Transfers	4,403	7	4,410	5,309	4,985	4,986	4,981

Sources: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Note: Amounts may not sum to totals due to rounding.

U.S. Citizenship and Immigration Services²⁴⁸

Three major activities dominate the work of the U.S. Citizenship and Immigration Services (USCIS): (1) adjudication of all immigration petitions, including nonimmigrant change of status petitions, family-based petitions, employment-based petitions, work authorizations, and travel documents; (2) adjudication of naturalization petitions for legal permanent residents to become citizens; and (3) consideration of refugee and asylum claims, and related humanitarian and international concerns.

U.S. Citizenship and Immigration Services (USCIS)

(\$millions discretionary appropriations)

FY2014



USCIS funds the processing and adjudication of immigrant, nonimmigrant, refugee, asylum, and citizenship benefits largely through its fee revenues generated by the Examinations Fee

²⁴⁸ This section was prepared by William Kandel, Analyst in Immigration Policy, Domestic Social Policy Division.

Account.²⁴⁹ In the last decade, the agency has received annual appropriations from the Treasury that have been directed largely towards specific projects such as reducing petition processing backlogs and the E-Verify program.²⁵⁰ The agency receives most of its revenue from adjudication fees of immigration benefit applications and petitions.²⁵¹ The graphic above shows only the annual appropriations for USCIS.

FY2014 Request

The Administration requested \$124 million in appropriations for USCIS, including \$114 million for the E-Verify program and \$10 million for the Immigrant Integration Initiative. Together with \$3,095 in projected fee collections, under the terms of the request, one would have projected \$3,219 in new gross budget authority for USCIS. (See **Table 19**) Of this FY2014 amount, \$2,575 million was to fund adjudication services, which included \$236 million for asylum, refugee, and international operations and \$183 million for the digital conversion of immigrant records. Apart from adjudication services, \$96 million was to fund information and customer services, \$339 was to fund Administration expenses, and \$30 million was to fund the Systematic Alien Verification for Entitlements (SAVE) program.²⁵²

House-Passed H.R. 2217

House-passed H.R. 2217 would have included \$114 million in appropriations for USCIS, \$10 million below the amount requested. Together with \$3,095 million in projected fee collections, under the terms of the bill and report, USCIS would have had \$3,209 million in new gross budget authority in FY2014. The bill would have provided appropriated funds only for the E-Verify Program as described in Section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Though the House recommendation for this account would not have included appropriated funds for immigrant integration grants, language was included in Title V permitting USCIS to expend no more than \$10 million in user fees to support these grants.

The House-passed bill also would have specified that none of the USCIS appropriations be used by the agency to grant an immigration benefit to an individual unless USCIS had received the results of any legally required criminal background checks, and those results did not preclude granting the benefit. Moreover, the House-passed bill would have specified that none of the funds made available to USCIS for immigrant integration grants could be used to provide services to aliens who had not been lawfully admitted for permanent residence.

²⁴⁹ Section 286 of the Immigration and Nationality Act, 8 U.S.C. Section 1356. There are two other fee accounts at USCIS, known as the H-1B Nonimmigrant Petitioner Account and the Fraud Prevention and Detection Account. The revenues in these accounts are drawn from separate fees that are statutorily determined (P.L. 106-311 and P.L. 109-13, respectively). USCIS receives 5% of the H-1B Nonimmigrant Petitioner Account revenues and 33% of the Fraud Detection and Prevention Account revenues. U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, *Fiscal Year 2014 Congressional Budget Justifications*.

²⁵⁰ E-verify allows employers to confirm electronically that prospective and current employees possess legal authorization to work in the United States. See CRS Report R40446, *Electronic Employment Eligibility Verification*, by Andorra Bruno.

²⁵¹ For more on USCIS fees, see CRS Report RL34040, *U.S. Citizenship and Immigration Services' Immigration Fees and Adjudication Costs: Proposed Adjustments and Historical Context*, by William A. Kandel.

²⁵² For more information on the SAVE program, see CRS Report R40889, *Noncitizen Eligibility and Verification Issues in the Health Care Reform Legislation*, by Ruth Ellen Wasem.

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 would have included \$119 million in appropriations for USCIS, \$5 million below the amount requested. Together with \$3,100 million in projected fee collections, under the terms of the bill and report, USCIS would have had \$3,219 million in total gross budget authority in FY2014. The bill would have provided funds for the E-Verify Program as well as a \$5 million appropriation for Immigrant Integration Grants. The Senate Appropriations Committee directed USCIS to make an additional \$5 million available for these grants via fees. Like the House, the Senate committee would have specified that no funds could be used by USCIS to grant immigration benefits unless the requisite background checks permitted the granting of such benefit. USCIS was also directed to report to the committee on using E-Verify in agricultural settings; E-B5 visa program statistics; USCIS's revised field office facilities model; and H-1B visa program statistics.

Division F of P.L. 113-76

Division F of P.L. 113-76 (the Homeland Security Appropriations Act, 2014) provided \$114 million in appropriations for USCIS, \$10 million below the amount requested by the Administration and \$5 million below the amount in Senate-reported H.R. 2217. Together with \$3,103 million in projected fee collections, under the terms of the act and explanatory statement, USCIS will have \$3,217 million in total gross budget authority from provisions in this title in FY2014. This was roughly \$8 million more than the House-passed H.R. 2217 and \$2 million less than the Senate reported H.R. 2217 and the FY2014 request.

As in the House-passed bill, the \$114 million appropriation was solely to fund the E-Verify Program.

The act directed USCIS to make \$7.5 million available for immigrant integration grants from fee revenues. The act specified that the grants shall be used to provide services to individuals who have been lawfully admitted into the United States. for permanent residence, and that none of the appropriated funds may be used to administer the program. It also carried the provision described above in the House and Senate bills regarding background checks.

The following table outlines the appropriations and projected fee resources available to fund USCIS activities. To provide a clear perspective on the total resources available, it includes the resources described in both Title IV and Title V provisions, and separates illustration of the sources of fee revenue from the activities funded through that revenue.

Table 19. USCIS Resources and Projections, FY2013-FY2014

(millions of dollars of budget authority, including general provisions)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113- 2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Appropriations	114		114	124	114	119	116
E-Verify	112		112	114	114	114	114
Immigrant integration grants	2		2	10	0 ^a	5	3

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House- passed H.R. 2217	Senate- reported H.R. 2217	Div. F, P.L. 113-76
Fee-funded Activities	2,882		2,882	3,095	3,095	3,100	3,103
Adjudication Services	2,391		2,391	2,629	2,629	2,634	2,637
District Operations	1,314		1,314	1,537	1,537	1,542	1,544
Immigrant integration grants				0	0	[5]	[8]
Service Center Operations	525		525	578	578	578	578
Asylum, Refugee and International Operations	197		197	237	237	237	237
Records Operations	87		87	94	94	94	94
Business Transformation	269		269	183	183	183	183
Information and Customer Services: Operating Expenses	89		89	96	96	96	96
Administration: Operating Expenses	382		382	339	339	339	339
Systematic Alien Verifications for Entitlements (SAVE)	20		20	30	30	30	30
Total USCIS Resources	2,997		2,997	3,219	3,209	3,219	3,219
Fee revenue sources							
Immigration Examination Fee Account	2,882		2,882	3,041	3,041	n/a ^b	3,049
HI-B Visa Fee Account				13	13	n/a ^b	13
HI-B and L Fraud Prevention Fee Account				41	41	n/a ^b	41

Source: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, H.Rept. 113-91, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Notes: This table includes resources from both Title IV and Title V, and therefore the numbers do not match those that represent only Title IV resources in some cases. Fee collections and appropriations sum to total USCIS budgetary resources. Amounts may not match budgetary documents due to rounding.

- a. Section 541 of the House bill directs USCIS to fund costs associated with the Immigrant Integration Initiative from fee revenue
- b. The Senate detail table did not segregate fee revenue by source.

Issues for Congress

For the FY2014 budget cycle, potential issues for Congress included ongoing concerns about E-Verify operability, fee-generated funding of the agency, immigrant integration grants, USCIS efforts to convert its immigration benefit application and petition process from a paper-based to a computerized online-based system, naturalization, and fraud prevention.²⁵³

E-Verify

Congress continues to be concerned about the operability of the E-Verify program, which is used to ascertain whether employees have the legal status and work authorization needed for employment.²⁵⁴ The House bill would have extended the authorization of E-Verify for one year, as proposed by the President's budget request. While the House committee report acknowledged improvements in the accuracy of E-Verify, it again directed USCIS to continue to develop a review process for E-Verify final non-confirmations to ensure that no individual is falsely identified as ineligible to work. It also directed USCIS to continue regular briefings on its progress toward implementing a robust compliance review program for E-Verify, including any instances of misuse of the system and actions taken to address those instances. Likewise, the House committee report urged USCIS to update and publish regular E-Verify accuracy and performance audits.²⁵⁵

In its report, the Senate Appropriations Committee acknowledged USCIS's progress on reducing the mismatch rate. It directed the agency to create mobile applications and use other available smart-phone technology to encourage small employers to use the system as early as possible. It also directed USCIS, in consultation with the Administrator of the Small Business Administration, to make available marketing and other incentives to small business concerns to encourage small employers to use E-Verify. The Senate committee report reflected particular concern about the challenges associated with implementing E-Verify in its current form in the agricultural industry and directed the agency to report to the Senate Committees on Appropriations and the Judiciary on progress in implementing E-Verify in that setting.²⁵⁶

Following the recommendation of the Senate report, the explanatory statement accompanying Division F of P.L. 113-76 specified that USCIS should create a mobile application and other smartphone technologies for employers using E-Verify and consult with the Small Business Administration about improving marketing to small businesses to encourage the use of E-Verify.

²⁵³ The Senate has passed broad immigration legislation in the form of S. 744. At the same time, the House of Representatives has developed a number of other pieces of immigration legislation. For detailed analysis of the issues raised specific to USCIS in the debate, see CRS Report R43097, *Comprehensive Immigration Reform in the 113th Congress: Major Provisions in Senate-Passed S. 744*, by Ruth Ellen Wasem and CRS Report R43320, *Immigration Legislation and Issues in the 113th Congress*, coordinated by Andorra Bruno.

²⁵⁴ See CRS Report R40446, *Electronic Employment Eligibility Verification*, by Andorra Bruno.

²⁵⁵ H.Rept. 113-91, p. 103.

²⁵⁶ S.Rept. 113-77.

Following the recommendation of the House report, the explanatory statement directed USCIS to brief the committees semiannually on a review process for E-Verify.

User Fee-Funded Programs

Because USCIS supports itself primarily through fee revenues, it must accurately monitor its fee revenues and obligations against its fee collections to avoid building backlogs or over-budgeting projects. The House committee report directed USCIS to continue quarterly briefings on fee revenues and obligations. Aware that USCIS is completing a study in preparation for an updated fee schedule, the House committee, in its report, directed USCIS to brief Congress on the conclusions and projected date of release of the fee study at least 30 days before the new schedule is made public. As in the past, it urged USCIS to remain sensitive to maintaining affordable naturalization application fees, which some claim have become an obstacle to naturalization for persons of lesser financial means.²⁵⁷ The Senate report provided no further direction on this issue. Following the recommendation of the House report, the explanatory statement directed USCIS to brief the committees semiannually on fee revenues and obligations.

Fraud Detection and National Security

The House report acknowledged the important work and efforts of the Office of Fraud Detection and National Security (FDNS), whose primary mission is to detect and combat immigration benefit fraud. However, it expressed the House Appropriations Committee's ongoing concern about the limited resources dedicated to this function and urged USCIS to devote more resources to FDNS' workforce.²⁵⁸ The Senate report provided no further direction on this issue. Following the recommendation of the House report, the explanatory statement directed USCIS to brief the committees semiannually on final non-confirmations.

USCIS Transformation

In 2012, USCIS launched the first two phases of its electronic immigration application system, known as ELIS. This system was created to modernize the process for filing and adjudicating immigration benefits, which until recently had been entirely paper-based. Historically, USCIS customers have had to apply for most benefits by mail, and USCIS employees have then reviewed paper files and shipped documents between offices to complete their adjudication. Under ELIS, eligible individuals can establish an account and apply online to extend or change their nonimmigrant status for certain visa types. ELIS also enables USCIS officers to review and adjudicate filings online. Apart from improving efficiency, ELIS also includes tools to combat fraud and identify national security concerns. The House report recognized the importance of transformation to USCIS operations and directed USCIS to continue quarterly updates on this program.²⁵⁹ The Senate report provided no further direction on this issue. Following the recommendation of the House report, the act directed USCIS to brief the committees semiannually on the USCIS transformation.

Systematic Alien Verification for Entitlements (SAVE)

Congress continues to be concerned about the accuracy and effectiveness of the SAVE system, a web-based system for governmental agencies to verify the immigration status of benefit

²⁵⁷ H.Rept. 113-91, pp. 103-104.

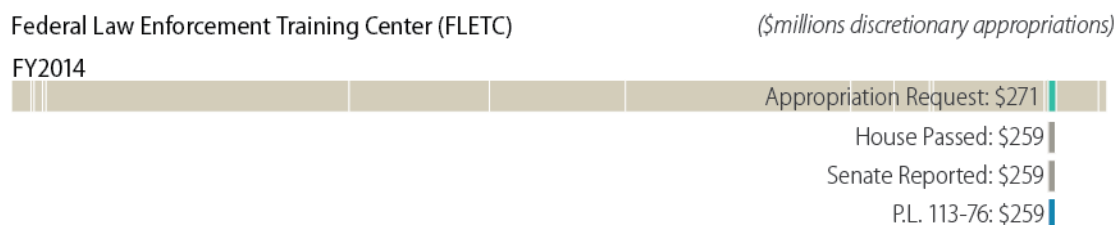
²⁵⁸ H.Rept. 113-91, p. 104.

²⁵⁹ H.Rept. 113-91, p. 105.

applicants. Without precise information on immigration status, agencies risk granting benefits to unentitled individuals. The House report noted that through the FY2013 appropriations process, DHS's Office of Inspector General (OIG) was asked to review the SAVE program to determine whether systems and processes are adequate to ensure accurate information for validating an individual's immigration status.²⁶⁰ The House report directed USCIS to brief the Appropriations committees on its response to the OIG recommendations by October 31, 2013²⁶¹ and the extent to which they have been adopted.²⁶² The Senate report and explanatory statement accompanying P.L. 113-76 provided no further direction on this issue.

Federal Law Enforcement Training Center²⁶³

The Federal Law Enforcement Training Center (FLETC) provides basic and advanced law enforcement instruction to approximately 90 federal entities with law enforcement responsibilities. FLETC also provides specialized training to state and local law enforcement entities, campus police forces, law enforcement organizations of Native American tribes, and international law enforcement agencies. By training officers in a multi-agency environment, FLETC intends to promote consistency and collaboration across its partner organizations. FLETC administers four training sites throughout the United States, but also uses online training and provides training at other locations when its specialized facilities are not needed. The Center employs approximately 1,100 personnel.



FY2014 Request

The Administration proposed a budget of \$271 million for FLETC. The majority of the budget was in Salaries and Expenses (proposed at \$241 million), while Acquisition, Construction, Improvements, and Related Expenses (proposed at \$31 million) represented a smaller share.

House-Passed H.R. 2217

House-passed H.R. 2217 would have included \$259 million for FLETC, \$13 million (4.7%) below the request. The entire reduction was taken from Salaries and Expenses, and was the result of \$23 million in anticipated efficiencies from FY2012 levels, and the denial of a proposed transfer of the National Computer Forensics Institute (NCFI) from the Secret Service to FLETC. The appropriation would have included an increase of \$4.5 million for active shooter threat

²⁶⁰ H.Rept. 113-91, p. 105.

²⁶¹ U.S. Department of Homeland Security, Office of Inspector General, OIG-13-11(revised), *Improvements Needed for SAVE To Accurately Determine Immigration Status of Individuals Ordered Deported*, December, 2012.

²⁶² H.Rept. 113-91, p. 105.

²⁶³ Prepared by William L. Painter, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

training programs. The House report noted that it included funding to train 1,600 new CBP officers.²⁶⁴

Senate-Reported H.R. 2217

Senate-reported H.R. 2217 also would have included \$259 million for FLETC distributed in an identical fashion to the House-passed proposal. The Senate report also noted the denial of the proposed transfer of NCFI to FLETC, and the inclusion of \$4.5 million in funding for expansion of active shooter threat training programs. However, the Senate report also noted that the Senate-reported bill included funds to “phase-in \$1,850 new CBP officers,” as opposed to the 1,600 officers mentioned in the House report.²⁶⁵

Division F of P.L. 113-76

Division F of P.L. 113-76 (the Homeland Security Appropriations Act, 2014) provided \$259 million in funding for FLETC, equal to and with the same distribution as the House-passed and Senate-reported appropriations for the center.

Issues for Congress

While FLETC itself has not been the focus of congressional debate, both the House and Senate have raised questions about the training of federal law enforcement officers. The Senate-passed version of comprehensive immigration reform (S. 744) calls for 19,200 additional Border Patrol agents.²⁶⁶ Fielding this many additional personnel would require an increase in the budget for FLETC’s operations.

Directorate of Science and Technology²⁶⁷

The Directorate of Science and Technology (S&T) is the primary DHS organization for research and development (R&D).²⁶⁸ Led by the Under Secretary for Science and Technology, the S&T Directorate performs R&D in several laboratories of its own and funds R&D performed by the Department of Energy national laboratories, industry, universities, and others. It also provides technology-related support for acquisition and operations in other DHS components.



See **Table 20** for a breakdown of S&T Directorate funding.

²⁶⁴ H.Rept. 113-91, p. 106.

²⁶⁵ S.Rept. 113-77, p. 131.

²⁶⁶ S. 744(eas), Section 6(a)(3)(A)(i), p. 51.

²⁶⁷ Prepared by Daniel Morgan, Specialist in Science and Technology Policy, Resources, Science, and Industry Division.

²⁶⁸ For more information, see CRS Report R43064, *The DHS S&T Directorate: Selected Issues for Congress*, by Dana A. Shea.

FY2014 Request

The Administration requested \$1.527 billion for the S&T Directorate for FY2014. This is 82% more than the FY2013 total presequester appropriation of \$838 million. The increase over recent funding levels resulted largely from the request for \$714 million in Laboratory Facilities for construction of the National Bio and Agro-Defense Facility (NBAF). The NBAF is a planned replacement for the current Plum Island Animal Disease Center. According to DHS, the FY2014 request (together with anticipated gift funds from the State of Kansas) would have been sufficient to fully fund NBAF construction, which DHS expects to complete in FY2020. The total estimated cost of the NBAF project, including the Kansas contribution and federal funds already appropriated, is \$1.230 billion. The previous estimate in the FY2012 budget was \$725 million.²⁶⁹ In University Programs, the requested \$31 million in FY2014 was a decrease of 19% from \$38 million in FY2013. This decrease reflected a reduction in funding for university centers of excellence and the elimination of funding for scholarships and fellowships. The latter was part of a government-wide consolidation of science, technology, engineering, and mathematics (STEM) education activities.

House-Passed H.R. 2217

The House bill would have provided \$1.225 billion for S&T. This total included \$404 million for NBAF construction. The committee report explained that this was the amount needed to “fully leverage funding contributions by the State of Kansas” (i.e., to provide the 2-to-1 federal matching funds required for \$202 million in state bonds). According to the House committee report, the \$40 million provided for University Programs would have supported an increase for university centers of excellence. The House committee report did not address the proposed elimination of scholarship and fellowship funding in University Programs.

Senate-Reported H.R. 2217

The Senate-reported bill would have provided \$1.218 billion for S&T. Like the House bill, it included \$404 million for NBAF, which the committee report again explained was sufficient to “fully leverage” state contributions. The Senate committee report stated that the recommendation of \$33 million for University Programs “recognizes the requested reduction ... resulting from the consolidation of the Scholars and Fellows program within the National Science Foundation.”

Division F of P.L. 113-76

The enacted appropriation for S&T was \$1.220 billion. This total included the same amount as the House and Senate bills for NBAF and \$40 million for University Programs. According to the joint explanatory statement, this level of funding for University Programs “will allow S&T to fund all existing centers [of excellence] at an appropriate level and establish a new center.” No funds were provided for the S&T scholarships and fellowships program. According to DHS, it will work with NSF to ensure that consolidated STEM education activities align with DHS needs.

²⁶⁹ U.S. Department of Homeland Security, *Congressional Budget Justification: FY2012*, “Science and Technology Directorate: Research, Development, Acquisitions, and Operations,” p. 134. The FY2013 budget did not present a cost estimate for NBAF. At the time the FY2013 budget was released, DHS was reassessing whether to go forward with the NBAF project.

Issues for Congress

In September 2012, GAO reported that although the S&T Directorate, the Domestic Nuclear Detection Office, and the Coast Guard are the only DHS components that report R&D activities to the Office of Management and Budget, several other DHS components also fund R&D and activities related to R&D.²⁷⁰ The GAO report found that DHS lacks department-wide policies to define R&D and guide reporting of R&D activities, and, as a result, DHS does not know the total amount its components invest in R&D. The report recommended that DHS develop policies and guidance for defining, reporting, and coordinating R&D activities across the department, and that DHS establish a mechanism to track R&D projects. In March 2013, the explanatory statement for the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6), directed the Secretary of Homeland Security, through the Under Secretary for Science and Technology, to establish a review process for all R&D and related work within DHS.²⁷¹ In April 2013, citing its September 2012 report, GAO listed DHS R&D as an area of concern in its annual report on fragmented, overlapping, or duplicative federal programs.²⁷²

The House-passed bill would have directed DHS to submit a report on reforms to its R&D programs, including a formal process for setting R&D priorities, a formal process for DHS-wide involvement in R&D decision-making and review, metrics for R&D program status and return on investment, and the implementation of GAO's recommendations.

The Senate-reported bill included no provision on this topic, but Senate report language directed DHS to implement policies and guidance for defining and overseeing R&D, in accordance with the GAO recommendations. The Senate report also directed DHS to "expeditiously continue" the implementation of R&D portfolio reviews in additional DHS components "to improve the coordinated approach to R&D and related activities within DHS."

The joint explanatory statement directed DHS to comply with the language in the House and Senate reports about R&D prioritization and review; to brief the appropriations committees on its schedule and plans for future portfolio reviews; and, in accordance with GAO's recommendations, to implement policies and guidance for defining and overseeing R&D department-wide.

²⁷⁰ U.S. Government Accountability Office, *Department of Homeland Security: Oversight and Coordination of Research and Development Should Be Strengthened*, GAO-12-837, September 12, 2012.

²⁷¹ *Congressional Record*, March 11, 2013, p. S1547.

²⁷² U.S. Government Accountability Office, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP, April 2013.

Table 20 Directorate of Science and Technology, FY2013-FY2014
(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House-passed H.R. 2217	Senate-reported H.R. 2217	Div. F, P.L. 113-76
Directorate of Science and Technology	\$834	\$3	\$838	\$1,527	\$1,225	\$1,218	\$1,220
Management and Administration	132	0	132	130	129	129	129
R&D, Acquisition, and Operations	703	3 ^a	706	1,397	1,096	1,089	1,091
Research, Development, and Innovation	450	0	450	467	467	467	462
Laboratory Facilities	165	0	165	858	548	548	548
Acquisition and Operations Support	48	0	48	42	42	42	42
University Programs	40	0	40	31	40	33	40

Source: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Note: Amounts may not sum to totals due to rounding.

- a. The \$3 million added to this account was not assigned to a specific program, project, or activity. It is therefore only reflected in this line.

Domestic Nuclear Detection Office²⁷³

The Domestic Nuclear Detection Office is the DHS organization responsible for nuclear detection research, development, testing, evaluation, acquisition, and operational support.

Domestic Nuclear Detection Office (DNDO)

(\$millions discretionary appropriations)

FY2014



See **Table 21** for a breakdown of DNDO funding.

²⁷³ Prepared by Daniel Morgan, Specialist in Science and Technology Policy, Resources, Science and Industry Division.

FY2014 Request

The Administration requested \$291 million for DNDO for FY2014. In the Research, Development, and Operations account, funding for Systems Architecture and Systems Development would have decreased relative to the funding levels outlined in the FY2013 DHS post-sequester operating plan, while funding for Transformational R&D and Assessments would have increased. These shifts appeared to reflect DNDO's ongoing transition from large-scale, government-sponsored technology development initiatives to a commercial-first approach to technology acquisition. In the Systems Acquisition account, the DHS budget justification for Human Portable Radiation Detection Systems (HPRDS) described the \$14 million request as an increase relative to the \$8 million the program received in FY2012 and would have received if the funding for the program under the FY2013 continuing resolution were annualized. It is unclear how the higher amount the program was appropriated under P.L. 113-6—more than triple the amount for FY2013 listed in the budget request—will affect its plans for FY2014.

House-Passed H.R. 2217

The House bill would have provided the requested amount for DNDO.

Senate-Reported H.R. 2217

The Senate bill would have provided the requested amount for Management and Administration, the requested amount for Systems Acquisition, and \$2 million less than the request for Research, Development, and Operations.

Division F of P.L. 113-76

The enacted appropriation for DNDO was \$285 million. This total included \$4 million less than the Administration requested for Transformational R&D, together with other small reductions similar to the Senate bill.

Table 21 Domestic Nuclear Detection Office, FY2013-FY2014

(budget authority in millions of dollars)

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House-passed H.R. 2217	Senate-reported H.R. 2217	Div. F, P.L. 113-76
Domestic Nuclear Detection Office	\$318	\$4	\$321	\$291	\$291	\$289	\$285
Management and Administration	40	0	40	38	37	37	37
Research, Development, and Operations	227	0	227	211	211	209	205
Systems Architecture	30	0	30	21	21	21	21
Systems Development	28	0	28	21	21	21	21

	FY2013 Enacted (presequester)			FY2014 Appropriations			
	P.L. 113-6	P.L. 113-2	Total	Request	House-passed H.R. 2217	Senate-reported H.R. 2217	Div. F, P.L. 113-76
<i>Transformational R&D</i>	75	0	75	75	75	75	71
<i>Assessments</i>	33	0	33	40	40	39	39
<i>Operations Support</i>	35	0	35	31	31	30	30
<i>National Technical Nuclear Forensics Center</i>	26	0	0	23	23	23	23
<i>Systems Acquisition</i>	51	4 ^a	55	43	43	43	43
<i>Radiation Portal Monitors Program</i>	1	0	1	7	7	7	7
<i>Securing the Cities</i>	22	0	22	22	22	22	22
<i>Human Portable Radiation Detection Systems</i>	28	0	28	14	14	14	14

Source: CRS analysis of P.L. 113-6, its accompanying Senate explanatory statement, P.L. 113-2, the FY2014 DHS Congressional Budget Justifications, H.R. 2217, S.Rept. 113-77, P.L. 113-76, and its accompanying explanatory statement.

Notes: Amounts may not sum to totals due to rounding.

- a. The \$4 million added to this account was not assigned to a specific program, project, or activity. It is therefore only reflected in this line.

Title V: General Provisions²⁷⁴

Title V of the DHS appropriations bill contains the general provisions for the bill. These typically include a variety of provisions that apply generally to the bill, as opposed to a single appropriation. However, general provisions may carry additional appropriations, rescissions of prior-year appropriations, limitations on the use of funds, or permanent legislative language as well. Broadly speaking, this section of the report limits its discussion to new general provisions not mentioned elsewhere in the report and those with a direct impact on the budgetary scoring of the bill.

FY2014 Request

The Administration's request was made in relation to the general provisions for DHS included in the FY2012 appropriations act (Division D of P.L. 112-74), because the FY2013 appropriations process had not been concluded while the FY2014 request was being developed.

The Administration proposed dropping 36 general provisions, most of which it had proposed eliminating in FY2013. Eleven of those were already eliminated in the final FY2013

²⁷⁴ Prepared by William L. Painter, Analyst in Emergency Management and Homeland Security Policy, Government and Finance Division.

appropriations bill. The Administration also proposed adding 10 provisions and modifying 10 others.

While many of those modifications were simple date changes, one represented a significant change from previous practices. The Administration proposed modifying Section 503, which governs reprogramming of funds, to provide transfer authority that would allow funds to be moved among appropriations accounts within DHS to expedite response to a catastrophic event.

The Administration generally requests rescissions in the accounts where they are made, rather than in this title, and requested no direct funding through general provisions for FY2014.

House-Passed H.R. 2217

House-passed H.R. 2217 included \$460 million in rescissions in Title V, all of which reduced the net scoring of the bill. Under this title, \$34 million would have been appropriated for DHS's data center consolidation effort, which had been funded in the past in the general provisions of the legislation. These were the only provisions in this title that affected the score of the bill; however, fee revenues of \$50 million from Section 563 of P.L. 113-6 were reflected in the comparative statement of budget authority at the back of the House report accompanying the bill, further reducing the score of the bill by \$50 million.²⁷⁵

The House concurred with the Administration's request to drop three general provisions beyond the 11 that were dropped from the FY2013 DHS appropriations act. The House Appropriations Committee did not add any of the general provisions requested by the Administration—with the exception of a rescission provision that it deepened²⁷⁶—and rejected the expansion of reprogramming authority.

House Floor Action

The House added 19 general provisions to the bill during floor action, bringing the total number of general provisions to 84. Eighteen of these newly added general provisions would have prohibited the use of funds provided in the bill for specific activities, including the following:

- Changing the list of sharp objects prohibited from being carried by passengers through passenger screening checkpoints or into airport sterile areas and the cabins of a passenger aircraft;²⁷⁷
- Buying American flags made overseas;²⁷⁸
- Contracting with a firm if it or its principals have been convicted in the past three years of a number of crimes, including fraud or tax evasion, are presently indicted of the same, or have been delinquent on their taxes in the last three years;²⁷⁹
- Buying, operating, or maintaining armed unmanned aerial vehicles;²⁸⁰

²⁷⁵ H.Rept. 113-91, p. 175.

²⁷⁶ H.R. 2217[rfs2], Section 567.

²⁷⁷ H.R. 2217[rfs2], Section 571.

²⁷⁸ H.R. 2217[rfs2], Section 572.

²⁷⁹ H.R. 2217[rfs2], Section 573.

²⁸⁰ H.R. 2217[rfs2], Section 575.

- Contravening Section 236(c) of the Immigration and Nationality Act (8 U.S.C. 1226(c)), which outlines the authority of the Attorney General to detain and release criminal aliens;²⁸¹
- Restricting a government official from sending or receiving information regarding an individual's immigration status to or from the Immigration and Naturalization Service, in violation of current law;²⁸²
- Restricting the Secretary's discretion to use federal air marshals on inbound international flights;²⁸³
- Implementing, carrying out, administering, or enforcing Section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)), which allows for an increase in premiums for the program;²⁸⁴
- Contracting for the purposes of purchasing ammunition before the date a report required from DHS on ammunition procurement and stockpiles is submitted to Congress;²⁸⁵
- Enforcing a section of the Energy Independence and Security Act of 2007 (P.L. 110-140) that prohibits the government from contracting for alternative transportation fuels (other than for research) that do not produce less greenhouse gases over their lifecycle than the equivalent conventional petroleum fuel;²⁸⁶
- Conducting Customs and Border Protection preclearance operations at Abu Dhabi International Airport in the United Arab Emirates;²⁸⁷
- For the DHS Secretary's office, using funds for reception or representational activities until an entry-exit visa system is implemented;²⁸⁸ and
- Finalizing, implementing, administering, or enforcing three policy memos issued by the director of ICE that establish priorities for civil immigration enforcement activities.²⁸⁹

Two amendments²⁹⁰ were adopted stating funds in the bill could not be used in contravention of the First, Second, Fourth, Fifth, and Fourteenth Amendments to the Constitution of the United States, or in violation of several laws intended to protect individuals' civil rights.

The only general provision added as a floor amendment in the House that was not a restriction on funding would have moved \$10 million from the Office of the Chief Financial Officer to FEMA's State Homeland Security Grant Program.²⁹¹

²⁸¹ H.R. 2217[rfs2], Section 576.

²⁸² H.R. 2217[rfs2], Section 577.

²⁸³ H.R. 2217[rfs2], Section 578.

²⁸⁴ H.R. 2217[rfs2], Section 580.

²⁸⁵ H.R. 2217[rfs2], Section 581. The reporting requirement referenced is Section 566.

²⁸⁶ H.R. 2217[rfs2], Section 582.

²⁸⁷ H.R. 2217[rfs2], Section 583.

²⁸⁸ H.R. 2217[rfs2], Section 586.

²⁸⁹ H.R. 2217[rfs2], Section 588.

²⁹⁰ H.R. 2217[rfs2], Section 574 and Section 585.

²⁹¹ H.R. 2217[rfs2], Section 587.

Senate-Reported H.R. 2217

The Senate-reported version of H.R. 2217 included \$241 million in rescissions.

It also included \$54 million for DHS's data center consolidation effort through a general provision, as well as \$43 million for DHS headquarters consolidation at St. Elizabeths. The Senate-reported bill also included legislative language to allow DHS to use fee revenues collected under the Colombia Free Trade Act, which added \$110 million to the overall cost of the legislation.

These are the only provisions in this title that affected the score of the bill; however, as in the House report, fee revenues of \$50 million from Section 563 of P.L. 113-6 were reflected in the comparative statement of budget authority at the back of the Senate report accompanying the bill, further reducing the score of the bill by \$50 million.²⁹²

The Senate Appropriations Committee chose to agree with the Administration and drop one general provision that the House retained, regarding restrictions on the appointment of a "Principal Federal Official" in conjunction with a Federal Coordinating Officer²⁹³ to coordinate response to a major disaster declared under the Stafford Act.²⁹⁴ It also would have kept four general provisions proposed for removal that the House did not—regarding the Civil Engineering Program, Operations Systems Center, and National Vessel Documentation Center of the Coast Guard and the use of U.S.-flagged vessels to move crude oil from the Strategic Petroleum Reserve²⁹⁵—and added several others. It added two provisions requested by the Administration—one authorizing the use of reimbursable fee agreements to fund CBP services²⁹⁶ and a modified provision that would have allowed DHS to receive donations to construct, alter, operate, or maintain land ports of entry.²⁹⁷ The Senate-reported bill included 72 general provisions in all.

Division F of P.L. 113-76

Division F of P.L. 113-76 included \$693 million in rescissions in Title V. It also included \$3 million for a USCIS immigrant integration grant program, as well as \$42 million for data center migration, \$35 million for DHS headquarters consolidation, and \$30 million for financial systems modernization. The division included the legislative language concerning CBP fees as proposed by the Senate.

Division F of P.L. 113-76 included 77 general provisions in all. Seven provisions of the 74 general provisions carried in the FY2013 Homeland Security Appropriations Act were dropped, and 10 were added. The division retained the provision discussed above regarding the appointment of an official to coordinate disaster response, as well as the four provisions listed above that the House had dropped but the Senate-reported bill had retained. Section 559 of the division included a modified version of the Administration's requested authority to enter into

²⁹² H.Rept. 113-91, p. 175.

²⁹³ Defined under Section 302(b) of the Stafford Act (42 U.S.C. 5143) as a federal officer appointed by the President to operate in the area of a major disaster or emergency who (1) makes an initial appraisal of the types of relief most urgently needed; (2) establishes such field offices as he deems necessary and as are authorized by the President; (3) coordinates the administration of relief; and (4) takes other action to help local citizens and public officials, consistent with authority delegated to him by the President, and consistent with the provisions of the Stafford Act.

²⁹⁴ H.Rept. 113-91, Sec. 520.

²⁹⁵ H.R. 2217[rs], Sec. 522, Sec. 526, Sec. 527, and Sec. 529.

²⁹⁶ *Ibid.*, Sec. 555.

²⁹⁷ *Ibid.*, Sec. 566.

reimbursable fee agreements and to receive donations. As in the House and Senate versions of H.R. 2217, the division did not include the requested expansion of reprogramming authority.

Appendix A. Appropriations Terms and Concepts

Budget Authority, Obligations, and Outlays

Federal government spending involves a multi-step process that begins with the enactment of budget authority by Congress. Federal agencies then obligate funds from the enacted budget authority to pay for their activities. Finally, payments are made to liquidate those obligations; the actual payment amounts are reflected in the budget as outlays.

Budget authority is established through appropriations acts or direct spending legislation and determines the amounts that are available for federal agencies to spend. The Antideficiency Act²⁹⁸ prohibits federal agencies from obligating more funds than the budget authority that was enacted by Congress. Budget authority may also be indefinite in amount, as when Congress enacts language providing “such sums as may be necessary” to complete a project or purpose. Budget authority may be available on a one-year, multi-year, or no-year basis. One-year budget authority is only available for obligation during a specific fiscal year; any unobligated funds at the end of that year are no longer available for spending. Multi-year budget authority specifies a range of time during which funds can be obligated for spending; no-year budget authority is available for obligation for an indefinite period of time.

Obligations are incurred when federal agencies employ personnel, enter into contracts, receive services, and engage in similar transactions in a given fiscal year. Outlays are the funds that are actually spent during the fiscal year.²⁹⁹ Because multi-year and no-year budget authorities may be obligated over a number of years, outlays do not always match the budget authority enacted in a given year. Additionally, budget authority may be obligated in one fiscal year but spent in a future fiscal year, especially with certain contracts.

In sum, budget authority allows federal agencies to incur obligations and authorizes payments, or outlays, to be made from the Treasury. Discretionary agencies and programs, and appropriated entitlement programs, are funded each year in appropriations acts.

Discretionary and Mandatory Spending

Gross budget authority, or the total funds available for spending by a federal agency, may consist of discretionary and mandatory spending. Discretionary spending is not mandated by existing law and is thus appropriated yearly by Congress through appropriations acts. The Budget Enforcement Act of 1990³⁰⁰ defines discretionary appropriations as budget authority provided in annual appropriation acts and the outlays derived from that authority, but it excludes appropriations for entitlements. Mandatory spending, also known as direct spending, consists of budget authority and resulting outlays provided in laws other than appropriation acts and is typically not appropriated each year. However, some funds for mandatory entitlement programs must be appropriated each year and are included in the appropriations acts. Within DHS, the Coast Guard retirement pay is an example of appropriated mandatory spending.

²⁹⁸ U.S.C. §§1341, 1342, 1344, 1511-1517.

²⁹⁹ Appropriations, outlays, and account balances for government treasury accounts can be viewed in the end of year reports published by the U.S. Treasury titled *Combined Statement of Receipts, Outlays, and Balances of the United States Government*. The DHS portion of the report can be accessed at <http://fms.treas.gov/annualreport/cs2005/c18.pdf>.

³⁰⁰ P.L. 101-508, Title XIII.

Offsetting Collections³⁰¹

Offsetting funds are collected by the federal government, either from government accounts or the public, as part of a business-type transaction, such as offsets to outlays or collection of a fee. These funds are not counted as revenue. Instead, they are counted as negative outlays. DHS net discretionary budget authority, or the total funds that are appropriated by Congress each year, consists of discretionary spending minus any fee or fund collections that offset discretionary spending.

Some collections offset a portion of an agency's discretionary budget authority. Other collections offset an agency's mandatory spending. These mandatory spending elements are typically entitlement programs under which individuals, businesses, or units of government that meet the requirements or qualifications established by law are entitled to receive certain payments if they establish eligibility. The DHS budget features two mandatory entitlement programs: the Secret Service and the Coast Guard retired pay accounts (pensions). Some entitlements are funded by permanent appropriations, others by annual appropriations. The Secret Service retirement pay is a permanent appropriation and as such is not annually appropriated, whereas the Coast Guard retirement pay is annually appropriated. In addition to these entitlements, the DHS budget contains offsetting Trust and Public Enterprise Funds. These funds are not appropriated by Congress. They are available for obligation and included in the President's budget to calculate the gross budget authority.

302(a) and 302(b) Allocations

In general practice, the maximum budget authority for annual appropriations (including DHS) is determined through a two-stage congressional budget process. In the first stage, Congress sets overall spending totals in the annual concurrent resolution on the budget. Subsequently, these amounts are allocated among the appropriations committees, usually through the statement of managers for the conference report on the budget resolution. These amounts are known as the 302(a) allocations. They include discretionary totals available to the House and Senate Committees on Appropriations for enactment in annual appropriations bills through the subcommittees responsible for the development of the bills. In the second stage of the process, the appropriations committees allocate the 302(a) discretionary funds among their subcommittees for each of the appropriations bills. These amounts are known as the 302(b) allocations. These allocations must add up to no more than the 302(a) discretionary allocation and form the basis for enforcing budget discipline, since any bill reported with a total above the ceiling is subject to a point of order. The House or Senate Appropriations Committee may adjust its 302(b) allocations during the year by issuing a report delineating the revised suballocations as the various appropriations bills progress towards final enactment.

The FY2012 appropriations bills were the first appropriations bills affected by the Budget Control Act (BCA), which established discretionary spending caps for FY2012 through FY2021. For FY2014, the BCA initially set a separate cap for security spending, defined to include the Departments of Defense and Veterans Affairs, Budget Function 150 for all international affairs programs, the National Nuclear Security Administration, and the Intelligence Community Management Account that funds the offices of the Director of National Intelligence. With the failure of the supercommittee process to produce \$1.2 trillion in deficit reduction and

³⁰¹ Prepared with assistance from Bill Heniff Jr., Analyst in American National Government, Government and Finance Division.

amendments made by the American Taxpayer Relief Act, the BCA now expresses its discretionary spending caps in terms of defense (\$497 billion for FY2014) and non-defense (\$469 billion for FY2014).³⁰² DHS is included in the latter category.

In addition, the BCA allows for adjustments that would raise the statutory caps to cover funding for overseas contingency operations/Global War on Terror, emergency spending, and, to a limited extent, disaster relief and appropriations for continuing disability reviews and for controlling health care fraud and abuse.

When no agreement is reached between the House and Senate on a budget resolution to provide a common 302(a), each body generally takes its own approach to developing 302(b) allocations. In the House, 302(b)s were developed based on the House-passed budget resolution (H.Con.Res. 25), while in the Senate, they announced 302(b)s based on the non-sequester-adjusted allocations under the BCA.

Table A-1 shows DHS's initial 302(b) allocations for FY2014, and comparable figures for FY2013, the President's request for FY2014, and the enacted net discretionary spending for DHS in P.L. 113-76.

Table A-1. DHS FY2013 and FY2014 Comparable and 302(b) Discretionary Allocations

(budget authority in billions of dollars)

FY2013 Comparable	FY2014 Request Comparable	FY2014 House Allocation	FY2014 Senate Allocation	FY2014 Enacted Comparable
39.594 ^a	39.030	38.993	39.100	39.270

Source: CRS Analysis of P.L. 113-6, P.L. 113-76, and accompanying explanatory statements; U.S. Congress, House Appropriations Committee, *Revised Suballocation to Subcommittees Fiscal Year 2014 Budget Authority and Outlays*, 113th Congress, 1st session; U.S. Congress, Senate Appropriations Committee, *FY2014 Discretionary Senate Allocations*, June 18, 2013.

Notes: Amounts may not sum to totals due to rounding.

- a. This authority does not include BCA-defined disaster relief and emergency funding of \$12,072 million provided through P.L. 113-2, or BCA-defined disaster relief of \$6,400 million covered through adjustments to the discretionary spending cap set by the Budget Control Act in P.L. 113-6.

Adjustments to the Caps Under BCA

Three of the four justifications outlined in the BCA for adjusting the caps on discretionary budget authority have played a role in DHS's appropriations process. Two of these—emergency spending and overseas contingency operations/Global War on Terror—are not limited.

The third justification—disaster relief—is limited. Under the BCA, the allowable adjustment for disaster relief is determined by the Office of Management and Budget (OMB), using the following formula:

Limit on disaster relief cap adjustment for the fiscal year = Rolling average of the disaster relief spending over the last ten fiscal years (throwing out the high and low years) + the unused amount of the potential adjustment for disaster relief from the previous fiscal year.

³⁰² Congressional Budget Office, *Final Sequestration Report for Fiscal Year 2013*, March 27, 2013, p. 4, at <http://www.cbo.gov>.

For FY2014, OMB determined the upper limit of the allowable adjustment for disaster relief would be \$12,143 million.³⁰³ The Administration has requested \$5,785 million in disaster relief through DHS and the Small Business Administration (SBA) to be subject to the cap adjustment. P.L. 113-76 included \$5,626 million in appropriations through DHS to be paid for by the allowable adjustment, but not the requested disaster relief funding for the SBA.³⁰⁴ Unlike in FY2013, there was no carryover of unused disaster relief adjustment to be carried forward into FY2014.

³⁰³ Office of Management and Budget, “OMB Sequestration Update Report to the President and Congress for Fiscal Year 2014,” August 20, 2013, p. 13.

³⁰⁴ Congressional Budget Office, “CBO Estimate of Discretionary Appropriations for Fiscal Year 2014, Including H.R. 3547, the Consolidated Appropriations Act, 2014, as Posted on the Website of the House Committee on Rules on January 13, 2014.” Received via email from CBO, January 14, 2014.

Appendix B. DHS Appropriations in Context

Federal Government-Wide Homeland Security Funding

Since the terrorist attacks of September 11, 2001, there has been increasing interest in the levels of funding available for homeland security efforts. The Office of Management and Budget, as originally directed by the FY1998 National Defense Authorization Act, has published an annual report to Congress on combating terrorism. Beginning with the June 24, 2002, edition of this report, homeland security was included as a part of the analysis. In subsequent years, this homeland security funding analysis has become more refined, as distinctions (and account lines) between homeland and non-homeland security activities have become more precise. This means that while

Table B-1 is presented in such a way as to allow year-to-year comparisons, they may in fact not be strictly comparable due to the increasing specificity of the analysis, as outlined above.

With regard to DHS funding, it is important to note that DHS funding does not account for all federal spending on homeland security efforts. In fact, while the largest component of federal spending on homeland security is contained within DHS, the DHS homeland security budget for FY2012 accounted for over 51% of total federal funding for homeland security. The Department of Defense accounted for the next highest proportion at nearly 26% of all federal spending on homeland security. The Department of Health and Human Services and the Department of Justice at 6%, and the Department of State at nearly 4% rounded out the top five agencies in spending on homeland security. These five agencies collectively accounted for approximately 93% of all federal spending on homeland security.

It is also important to note that not all DHS funding is classified as pertaining to homeland security activities. The legacy agencies that became a part of DHS also conduct activities that are not homeland security-related. Therefore, while the enacted FY2012 budget bills and existing law included total *homeland security* budget authority of \$35.1 billion for DHS, the *total budget authority* for DHS was \$52.5 billion.³⁰⁵ Moreover, the amounts shown in

Table B-1 will not be consistent with total amounts shown elsewhere in the report. This same inconsistency between homeland security budget authority and requested total budget authority is also true for the budgets of the other agencies listed in the table.

Due to the fact that the Administration's FY2014 budget request was released without an estimate for FY2013 that accounted for P.L. 113-6 or the impact of sequestration, no authoritative data for FY2013 are available as of March 1, 2014.

³⁰⁵ Includes appropriations, rescissions, fee funded programs, mandatory budget authority, disaster relief, and overseas contingency operations funding.

Table B-1 Federal Homeland Security Funding by Agency, FY2002-FY2012

(budget authority in millions of dollars)

Department	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Department of Homeland Security (DHS)	17,381	23,063	22,923	24,549	26,571	29,554	32,486	38,988	33,236	34,901	35,088
Department of Defense (DOD) ^a	16,126	8,442	7,024	17,188	17,510	16,538	18,032	19,483	19,054	16,994	17,780
Department of Health and Human Services (HHS)	1,913	4,144	4,062	4,229	4,352	4,327	4,301	4,677	7,196	4,182	4,118
Department of Justice (DOJ)	2,143	2,349	2,180	2,767	3,026	3,518	3,528	3,715	4,119	3,966	4,039
Department of State (DOS)	477	634	696	824	1,108	1,242	1,719	1,809	2,016	1,949	2,674
Department of Energy (DOE)	1,220	1,408	1,364	1,562	1,702	1,719	1,827	1,939	1,793	1,994	1,938
Department of Agriculture (AG)	553	410	411	596	597	541	575	513	611	580	435
National Science Foundation (NSF)	260	285	340	342	344	385	365	407	390	386	444
Department of Veterans Affairs (VA)	49	154	271	249	298	260	309	310	427	413	381
Department of Commerce	116	112	125	167	181	205	207	271	284	262	338
Other Agencies	3,750	1,445	1,436	1,909	1,429	1,545	1,751	1,960	1,533	1,351	1,351
Total Federal Budget Authority	43,848	42,447	40,834	54,383	57,118	59,833	65,099	72,201	70,661	66,983	68,586

Sources: CRS analysis of data contained in Section 24. “Homeland Security Funding Analysis” of the Analytical Perspectives volume of the FY2014 President’s Budget (for FY2012), Section 24. “Homeland Security Funding Analysis” of the Analytical Perspectives volume of the FY2013 President’s Budget (for FY2011), Section 24. “Homeland Security Funding Analysis” of the Analytical Perspectives volume of the FY2012 President’s Budget (for FY2010), Section 3. “Homeland Security Funding Analysis,” and Appendix K of the Analytical Perspectives volume of the FY2011 President’s Budget (for FY2009); Section 3. “Homeland Security Funding Analysis,” and Appendix K of the Analytical Perspectives volume of the FY2010 President’s Budget (for FY2008), Section 3. “Homeland Security Funding Analysis,” and Appendix K of the Analytical Perspectives volume of the FY2009 President’s Budget (for FY2007), Section 3. “Homeland Security Funding Analysis,” of Analytical Perspectives volume of the FY2008 President’s Budget (for FY2006), Section 3. “Homeland Security Funding Analysis” of Analytical Perspectives volume of the FY2008 President’s Budget (for

FY2005), Section 3. “Homeland Security Funding Analysis” of Analytical Perspectives volume of the FY2006 President’s Budget (for FY2004), Section 3. “Homeland Security Funding Analysis” of Analytical Perspectives volume of the FY2005 President’s Budget (for FY2003) and Office of Management and Budget, *2003 Report to Congress on Combating Terrorism*, Sept. 2003, p. 10; CRS analysis of FY2002-2006 re-estimates of DOD homeland security funding provided by OMB, March 17, 2005.

Notes: Amounts may not sum to totals due to rounding. Fiscal year totals shown in this table include enacted supplemental funding. Year to year comparisons using particularly FY2002 may not be directly comparable, because as time has gone on agencies have been able to distinguish homeland security and nonhomeland security activities with greater specificity.

- a. Amounts for FY2002-FY2004 do not include re-estimates of DOD homeland security funding. For FY2007 DOD changed the manner in which it accounts for its homeland security activities. This new method has been applied going forward. Re-estimates of FY2002-FY2004 DOD funding using this new method were not available for inclusion.

Author Information

William L. Painter, Coordinator
Analyst in Emergency Management and Homeland
Security Policy

Sarah A. Lister
Specialist in Public Health and Epidemiology

Barbara L. Schwemle
Analyst in American National Government

Natalie Keegan
Analyst in American Federalism and Emergency
Management Policy

Jerome P. Bjelopera
Specialist in Organized Crime and Terrorism

Lennard G. Kruger
Specialist in Science and Technology Policy

Alison Siskin
Specialist in Immigration Policy

Bruce R. Lindsay
Analyst in American National Government

Bart Elias
Specialist in Aviation Policy

Francis X. McCarthy
Analyst in Emergency Management Policy

John Frittelli
Specialist in Transportation Policy

William A. Kandel
Analyst in Immigration Policy

John D. Moteff
Specialist in Science and Technology Policy

Daniel Morgan
Specialist in Science and Technology Policy

Shawn Reese
Analyst in Emergency Management and Homeland
Security Policy

Lisa Seghetti
Section Research Manager

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